

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



STATE AND FEDERAL  
**MARKETING ACTIVITIES**  
AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

JAN 20 1939

January 11, 1939

Vol. 19, Nos. 1 and 2

NEW YORK HAS NINE-POINT  
AGRICULTURAL ADJUSTMENT PLAN

A 9-point agricultural adjustment program was suggested this week to New York State farmers by the New York College of Agriculture. The program is based on the agricultural outlook for 1939. Farmers were urged (1) to establish a definite debt-retirement plan, (2) obtain necessary credit from a credit agency, (3) pay cash and buy in quantity, (4) have an efficient-sized business, (5) use labor more efficiently, (6) get good yields of crops and livestock, (7) avoid over-expansion in livestock, (8) do more retailing, (9) study and plan the farm business.

Regarding the size of business, it was stated that a farm business large enough to provide productive work for two or three men has paid better over a period of years than the one-man farm. As to retailing: "Products sold at roadside stands, public markets, or in other ways help to cut distribution costs."

-oOo-

PUBLICITY DRIVE ON FOR  
WORLD'S POULTRY CONGRESS

The publicity department of the Seventh World's Poultry Congress and Exposition, to be held at Cleveland, Ohio, July 28 to August 7, went into heavy action this week with broadsides of feature articles and other inspirational copy designed to attract a high record attendance at the show.

The department says that "with more than 60 nations officially participating, many of them sending elaborate exhibits, the informational and educational possibilities of the meeting are attracting the interest of everyone in any way connected with the poultry industry." It adds: "It is a big international event with more rings than Barnum & Bailey's Circus and covers everything from the hen that lays the egg to the cleaner that takes it off the business man's vest."

-oOo-

GEORGIA TO DEVELOP  
STATE MARKETING PROGRAM

The Georgia Department of Agriculture has reported that at a recent conference of farmers, produce dealers and others called by Commissioner Columbus Roberts a resolution was unanimously adopted "that a committee of five be appointed by Mr. Roberts, and a like committee of five from the House and Senate be appointed by Governor Rivers to work together and present to the Legislature a plan of legislation which

U S DEPT OF AGRICULTURE  
BUREAU OF AGR'L ECONOMICS LIBRARY  
4-K WASHINGTON D C



will take adequate care of the marketing needs of Georgia farmers."

The report stated that "Governor Rivers was present and pledged his support"; that he would "appoint a committee from the House and Senate to cooperate with the committee appointed by Mr. Roberts so that a clear, definite plan might be brought before the Legislature when it meets in January."

Emphasis at the conference was placed on the need for a more diversified agriculture and a dependable market, since "the time has come when we farmers can no longer depend on cotton for a living."

-oOo-

#### NEW JERSEY REPORTS

##### BETTER GREENHOUSE BUSINESS

The New Jersey Department of Agriculture reported this week that there was "more than a seasonal increase in business for greenhouses in New Jersey during the two months, November and December. Fifty thousand more plants were certified (in compliance with Federal-State Japanese beetle quarantine regulations) for shipment in November 1938, than for the same period in 1937, and a similar increase is anticipated in the December shipment reports."

-oOo-

#### CALIFORNIA COLLECTS HALF

##### MILLION DOLLARS FOR GROWERS

The California Department of Agriculture reports that collections made for California growers in 1938 by the Division of Market Enforcement totaled more than \$500,000. More than 1,221 cases handled for growers established a new high record. Records indicate that growers of every type of farm product are using the services of the Division. Officials are consulted on proposed contracts, and are asked to investigate complaints of nonpayment for farm products, as well as cases involving unfair practices by produce dealers, processors, poultry and livestock buyers, and milk distributors.

-oOo-

#### FARM SECURITY ADMINISTRATION

##### LENT \$65,000,000 IN FISCAL YEAR

The Farm Security Administration reports that during the last fiscal year it made rehabilitation loans to nearly 200,000 needy farm families -- many of them from the relief rolls - to enable them to become self-supporting farmers. The loans totaled \$65,068,016. More than 649,000 families have received individual rehabilitation loans totaling \$216,-876,146 since the program was initiated in July 1935. Although most of the loans are not yet due, more than \$52,000,000 was repaid into the Federal treasury up to the close of the 1937-38 fiscal year.

-oOo-

L. A. BEVAN has been appointed to serve temporarily as acting director of the New Jersey Extension Service, to fill the vacancy occasioned by the death of Prof. H. J. Baker who was director for more than 15 years. Professor Bevan has been extension economist in marketing at the College of Agriculture for nearly 4 years.

NORTH DAKOTA POTATO GROWERS  
TO EXPERIMENT WITH COTTON BAGS

The North Dakota Extension Service has reported that "as a part of efforts to develop new commercial uses for agricultural products, growers of blue tag certified seed potatoes in North Dakota are being offered an opportunity by the Agricultural Adjustment Administration to try out cotton bags for marketing their product.

The program provides for supplying a limited number of cotton bags to growers who desire to make trial tests of such containers. Similar opportunities are being offered certified seed potato growers and shippers in Minnesota, Nebraska and Maine.

-oOo-

IOWA FARMERS GOT BIGGER  
FARM INCOME LAST YEAR

The Iowa Extension Service reported this week that "Iowa farmers received a \$537,000,000 cash income in 1938 - the second highest cash return figure in 8 years. This is well over the \$513,000,000 mark of 1937. The increase was made in the face of lower prices resulting from increased marketings and lower consumer demand. Agricultural conservation payments are included in the income figures."

The Extension Service adds that "as a consumer, the Iowa farmer had a greater total buying power in 1938 than in 1937, because of his greater income." The largest Iowa income in the last 8 years was \$561,000,000 in 1936.

-oOo-

SEES BETTER OUTLOOK  
FOR FRUIT INDUSTRIES

The New York Agricultural Experiment Station this week issued a statement by Dr. D. K. Tressler that "the future of the fruit industry in this country should be bright if the widespread interest in the development of new uses for fruits and fruit products shown by research workers in Government and State laboratories and in private industry can be taken as an indication of what may be expected during the next 10 years."

Dr. Tressler predicts that canned and bottled apple and cherry juices will become important all-the-year round beverages within the next decade and that the production of these juices will utilize millions of bushels of first and second grade apples and cherries. Frozen sliced apples and the making of apple flakes or apple flour for the baker, are expected, he says, to absorb large quantities of apples.

"The introduction of quick freezing units and cold storages by farmers operating roadside stands is already within the realm of possibility and, coupled with an increasing use of cold storage lockers, means that more and more fruit will be preserved for use either by the farmer and his family or for sale out of season to his customers."

-oOo-

"THE SOYBEAN INDUSTRY" is the title of a bibliography recently issued by the Bureau of Agricultural Economics. It fills nearly 500 mimeographed pages and contains more than 1,600 references on the economic aspects of the industry, 1900-1938.



FARM WAGE RATES DOWN,  
LABOR SUPPLY UP, DEMAND LOWER

A sharp decline in wage rates paid to hired farm workers during the last quarter of 1938 was reported this week by the Bureau of Agricultural Economics. The decline, it was said, reflected a sizeable increase in the supply of workers available for hire in rural areas and a seasonal downturn in the demand for farm help.

Farm wage rates averaged 117 percent of pre-war on January 1, as compared with 126 on October 1 and 118 on January 1, 1938. This index, which recently has been revised by the Bureau, was 7 points higher, however, than on January 1, 1937. Total employment on farms in the United States (including family and hired labor) was estimated at 8,767,000, which was 27 percent less than on October 1, and about the same as a year ago.

-oOo-

AGRICULTURE IS EXPECTED  
"TO DO BETTER" THIS YEAR

"The New year opens with assurance of an improved agricultural situation," according to the January issue of "The Agricultural Situation", monthly publication of the Bureau of Agricultural Economics. "BAE estimates that farm income will be higher in 1939 than in 1938. The general index of prices of farm products ended the year at 96 percent of pre-war-highest since last March. Strengthening factor in coming month will be the improved consumer demand flowing from increased industrial activity during the last half of 1938."

The publication covers the current and prospective situation by commodities, and contains a group of signed articles on various phases of agricultural economic developments. They are "Industrial Unemployment and the Farmer," by L. H. Bean; "Consumption of Agricultural Products," by J. P. Cavin, "Farm Imports Under Trade Agreements," by R. B. Schwenger; "Wheat Farmers' Income Reduced," by O.C. Stine; "New Records for Oleomargarine," by Anne Dewees; "Dynamic Industrial Recovery," by P. H. Bollinger; "Insuring the Wheat Ceop," by J. A. Bird, and "Crop Production in 1938," by W. F. Callander.

-oOo-

WALTER H. DROSTE, Comptroller of the Farm Credit Administration at St. Louis, has been appointed as Assistant to the Deputy Governor and Acting Executive Officer of the Farm Credit Administration at Washington.

PENNSYLVANIA'S five cooperative egg auctions have federated as the Pennsylvania Egg and Poultry Producers' Association. The auctions operate at Bethlehem, Butler, Center Point, Coatesville and Doylestown.

A RELATIVELY HIGH WITHDRAWAL of creamery butter was an important development in the cold storage movement during December. The net out-of-storage movement of this commodity was 31,449,000 pounds, compared with a 1932-36 average of 27,080,000 pounds. January 1 stocks, however, were 127 percent above the 5-year average for that date.



STATE AND FEDERAL

# MARKETING ACTIVITIES

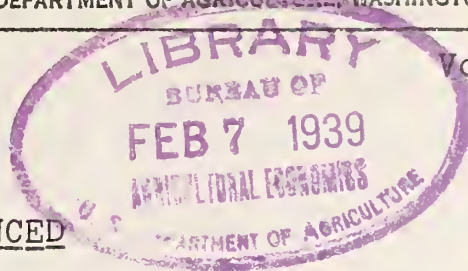
## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

January 25, 1939

Vol. 19, Nos. 3 and 4

FEDERAL EXTENSION SERVICE  
REORGANIZATION IS ANNOUNCED



Reorganization of the Federal Extension Service, effective February 1, was announced this week "to meet more effectively its responsibilities of assisting farm people in understanding new Federal and State programs for agricultural improvement."

The reorganization groups under 5 main heads those functions and activities which in recent years have assumed primary importance in the work of the Extension Service:

(1) Office of the Director, under the leadership of Director C. W. Warburton and Assistant Director Reuben Brigham. To this office have been added W. A. Lloyd, C. L. Chambers, and H. W. Gilbertson, formerly in charge of extension work in the Western, Southern, and Central States. As principal technical analysts, they will be charged with the review and analysis of State budgets, projects, and plans of work, submit recommendations for their improvement and coordination, make periodic inspections of State expenditures of cooperative Federal-State extension funds, and prepare annual and special reports.

(2) Division of Business Administration, with M. M. Thayer as chief and W. H. Conway as associate chief. This division is responsible for administrative procedure and policies of a business, personnel, and fiscal character.

(3) Division of Field Coordination, with H. W. Hochbaum, chief. This division will have charge of the development of Federal-State programs and plans of extension work, organization and supervision of State and County work, correlation of State and county programs with the work of Federal agricultural action agencies, and studies of the effectiveness of extension teaching methods.

(4) Division of Subject Matter, H. W. Hochbaum acting in charge until a permanent chief is selected. From economic and subject matter sources, this division will develop materials useful in extension program building; it will analyze situations and develop plans for the improvement of farm management, home management and production methods; and will act as a liaison agency between the Extension Service and Department subject-matter and economic bureaus to speed the release of basic facts in a form suitable for most effective use in the States.

(5) Division of Extension Information, under the direction of Reuben Brigham. This division is charged with the preparation and coordination of extension information and visual materials, and with teaching extension workers the effective use of these materials. Its 3 sections are Motion Pictures, Visual Instruction and Editorial, and Exhibits.

U S DEPT OF AGRICULTURE  
BUREAU OF AGR'L ECONOMICS LIBRARY  
4-K WASHINGTON D C



### CALIFORNIA SPREADS NET TO CATCH CATTLE THIEVES

A State-wide net using radio and teletype systems has been spread in California in an effort to catch cattle thieves. The California Department of Agriculture reported recently that 78 defendants were convicted last year, compared with 26 in 1937. The cattle thieves use fast trucks, descend upon a herd at night, kill what they can handle easily, dress the carcasses, and sell the meat to retailers several hundred miles away. The Department says its records also indicate there is considerable cattle stealing for food purpose by individuals who go to some remote place where cattle are grazing near a highway, shoot down one or more, dress the meat and return home with enough beef to supply the family needs for several weeks.

-oOo-

### NEW YORK REGISTERING DEALERS UNDER MAPLE SYRUP LAW

The New York Department of Agriculture and Markets is registering maple syrup dealers who buy 500 gallons of syrup or more annually in other than retail containers, under the provisions of chapter 572 of the laws of 1938.

The law requires that "all maple syrup purchased by a dealer shall be officially inspected and certified as to its grade, according to the New York State official standards for maple products, on its delivery to the dealer, by a licensed inspector of the Department of Agriculture and Markets. All payments for maple syrup so inspected shall be made on the basis of the grade as certified."

Nearly 100,000 gallons of syrup were graded according to the Act in 1938.

-oOo-

### MARYLAND ISSUES REPORT SHOWING EGG-GRADING PAYS

Results of a survey to find out whether it pays to grade eggs were released this week in Bulletin 418 by the Maryland Extension Service. The records of 30 egg producers in Baltimore and Hartford Counties were studied. One group of 15 producers sold eggs on a Government graded basis, the other group sold on a non-graded basis to hucksters, retailers, wholesalers and consumers direct.

The Service concluded "it is profitable for a producer of high quality eggs to sell them on a graded basis, but it is questionable if producers of low quality eggs can sell them profitably on such a basis." One point brought out by the survey was that the price received for eggs sold on a graded basis was not influenced so much by the volume of eggs shipped as was the price of eggs sold on a non-graded basis. It revealed also that size as well as quality influences the prices producers receive for eggs.

-oOo-

"ADAPTING FARM MANAGEMENT RESEARCH TO NEW OPPORTUNITIES" is the title of a paper by Sherman E. Johnson, obtainable from the Bureau of Agricultural Economics.



STORY OF FEDERAL GRAINSTANDARDS DRAMATICALLY TOLD

When the first settlers began growing wheat in the Hudson and other eastern valleys, there were no problems of grain standardization, futures trading, nor export markets. Wheat was bartered for articles needed, was loaded on boats, and sent down the rivers to the coast towns where it was sold to the mills and ground at once for local use. As the tide of settlement rolled westward through the Ohio Valley and finally over the Plains beyond the Mississippi, there emerged a vast output of grain grown a long distance from the centers of consumption. Gradually the capacity of the prairies gave the country a great surplus of wheat to sell in foreign markets.

With this introduction the Bureau of Agricultural Economics tells in a new Miscellaneous Publication (No. 328) dealing with "The Service of Federal Grain Standards" of the growth of the huge trade in grain bought, sold, and moved over long distances, stored over long periods, and shipped overseas; how a common language of trade had to be coined, and then, of the enactment by Congress of the United States Grain Standards Act, to set up a system of uniform grading under Federal Supervision. Under this Act the United States Department of Agriculture established official standards which are now in force for wheat, corn, barley, rye, oats, Feed Oats, Mixed Feed Oats, grain sorghums, flaxseed, and Mixed Grain. Practically all grain received at the terminal markets is graded and warehoused according to the Federal grain standards, it is stated.

The publication tells how the grades are determined, how certificates are issued, how appeals may be taken.

-oOo-

LARGE QUANTITIES OF CORN"SEALED" BY IOWA FARMERS

More than 80 million bushels of corn have been sealed by Iowa farmers under the present 57-cent-per-bushel loan program, O. D. Klein, Chairman of the Iowa Agricultural Conservation Committee, told Iowa State College officials this week. Indications are that a total of about 125 million bushels will be sealed before the deadline of March 31, Klein said. As of January 25, more than 81 thousand samples of corn had been received at the State office for moisture tests. Of this number, only 655 samples were found to be ineligible, because of too high moisture content. In order to be eligible, corn must contain not more than 20½ percent moisture. Samples are arriving at the rate of 900 per day, Klein said. It was reported that farmers in some of the big corn counties are sealing an average of more than 1,600 bushels of corn per sample sent in. This means that the average loan per crib in these counties is around \$900.

-oOo-

FARMER COOPERATIVES REPORTEDENTERING FROZEN-PACK FIELD

Many farmers' cooperatives are entering the frozen-pack field, it was recently reported to the Farm Credit Administration by J. A. Forehand of the Washington Packers, Inc., at Sumner, Washington. Forehand says there are now 11 farmers' cooperative organizations which contribute 12.4



percent of the Nation's total output of frozen fruits and vegetables. In 1937 there were 94 companies in the business, including cooperatives, reporting an output of more than 228 million pounds, including fruit juices.

Forehand added he believes that in the future well-equipped canneries and cold storage plants will find it to their advantage to add quick freezing equipment to handle fruits and vegetables, but that cooperatives and others seeking to enter this field should study the market before entering and to produce only first-class products,

-oOo-

#### NEW YORK POULTRYMEN IN HATCHERY EGGS BUSINESS

The New York Extension Service recently reported that throughout New York State, a number of poultry keepers are adding dollars to their income by the sale of hatching eggs. Most hatcheries pay a premium of about 10 cents a dozen above the prevailing price of large eggs, it was stated. Premiums are paid on eggs for hatchability above 60 percent.

The most common procedure, it was reported, is to arrange to sell to a hatchery, which may select the stock of the flock owner and provide the males, either for a nominal charge or for nothing. Sometimes the poultryman is required to sign a contract to sell the hatching eggs only to that hatchery. Besides increasing cash income from eggs, the new business was reported as tending to improve the owners' flocks.

-oOo-

#### CALIFORNIA STUDIES TURKEY EGG ENTERPRISE

The California Extension Service recently reported results of a turkey egg enterprise efficiency study in Riverside County, California. The study was made in the flocks of 17 producers. It showed an average hatching egg income of \$7.49 per hen, a farm income of \$4.48 per hen and a management or net income of \$3.90 per hen. The turkeys produced an average of 56.6 salable eggs, the average price per egg being 13.2 cents. The average investment per hen was \$5.21. An average of 3,475 hens was studied, this average count being made necessary by the fact that the numbers fluctuated as the season advanced.

-oOo-

#### TEXAS ISSUES REPORT ON COST OF GINNING

A progress report on a study of "Cost of Ginning" was recently issued by the Texas Agricultural Experiment Station. The Texas ginning industry, with its 3,500 plants, represents a total investment of about \$100,000,000, it was stated. On the approximately 5 million bale crop of 1937-38, Texas cotton growers paid for ginning service and bagging and ties about \$32,000,000. In the study, the analysis of ginning costs was approached from the standpoint of total costs rather than that of costs per bale. Copies of the report are obtainable from the Texas Agricultural Experiment Station, College Station, Texas.



LOUISIANA PROMOTING USE  
OF "KATAHDIN" POTATOES

The Louisiana Extension Service reported this week that first carlot shipments of certified seed of the Katahdin Irish potato, "the new potato that is fast growing in popularity among growers," have arrived in the State from northern producers and are being distributed among Louisiana growers. It was reported, also, that arrangements have been made with dealers for handling certified seed of this potato in 100-pound sack lots and in broken sack lots so that interested growers can be served as long as the supply last.

Posters have been distributed throughout the State, pointing out that the Katahdin "is the best all-round potato yet discovered, being a good yielder and keeper, resistant to heat and drought, and excellent for home use, local markets, and shipping."

-oOo-

SCIENTISTS FROM MANY COUNTRIES  
SUBMIT PAPERS FOR POULTRY CONGRESS

Scientists in 21 countries - from Canada to the Union of South Africa - have submitted titles of papers for the scientific program of the World's Poultry Congress at Cleveland, Ohio, July 28 to August 8, it was announced this week by Berley Winton of the United States Department of Agriculture, who is chairman of the scientific program committee of the Congress. The United States is represented in the list of authors and titles by scientists from 21 States. About one-third of the 180 papers to be given will be by scientists from foreign countries. Papers already approved cover various phases of genetics, physiology, nutrition, incubation, pathology and disease control, economics (including marketing), and other poultry subjects.

-oOo-

DECREASE IN DEMAND FOR  
FARM MORTGAGE CREDIT REPORTED

Governor Hill of the Farm Credit Administration reported this week that "the demand for farm mortgage credit during the past year was slightly less than in 1937, thus continuing the trend which has been noticeable since 1934 when there occurred the peak of the refinancing period.

Farm mortgage recordings during the first 9 months of 1938, according to Farm Credit Administration estimates, amounted to \$544,900,000, compared to \$576,800,000 during the like period of 1937. During the peak year 1934 recordings amounted to approximately \$1,700,000,000.

"One of the principal reasons for the decline in the demand for credit," said Governor Hill, "is the volume of refinancing done during the emergency period by the land banks and the Land Bank Commissioner with loans which run from 10 to 33 years. This has taken care of loans which ordinarily would have carried maturities of 3 to 5 years. As a natural sequence to the decline in the demand for refinancing loans, the percentage of new loans used for the purchase of farms has been increasing."

FEDERAL AUTHORITIES  
ROUND UP UNFIT FOODS

Continually active in keeping unfit foods out of the channels of trade, the Federal Food and Drug Administration has reported another long list of seizures and prosecutions, during December. Besides unclean and deleterious foods, this Federal agency seized large quantities under the head of "economic cheats" - butter containing less than 80 percent butterfat, butter adulterated with mineral oil, canned grape juice of short volume, scallops and oysters adulterated with water, and canned apricots, cherries and tomatoes falling below the established standards of quality condition but not labeled as required by regulation. For adulterating olive oil, one defendant in New York was fined \$1,800 and given a 60-day jail sentence.

-oOo-

INDEX OF FARM PRODUCTS  
PRICES DOWN TWO POINTS

The Bureau of Agricultural Economics index of prices of farm products stood at 94 percent of pre-war in mid-January, which was a decline of 2 points from December. The index in mid-January a year ago was 102. The Bureau said that a sharp break in egg prices and a greater than seasonal decline in dairy products prices largely accounted for the 2-point decline during the last month of record. In the group indexes, prices advances were registered for grain and meat animals. Small advances in both lint and seed prices raised the cotton and cottonseed index 1 point. The index of prices of all fruits combined rose seasonally.

-oOo-

THE APPOINTMENT of Milo R. Perkins as President of the Federal Surplus Commodities Corporation and AAA Associate Administrator in charge of marketing agreement programs, to succeed Jesse W. Tapp, resigned, was announced this week by the Department of Agriculture. Mr. Perkins, a native of Wisconsin who was engaged in business in Texas for several years, came to the Department in 1935 as Assistant to the Secretary of Agriculture. Two years later he was appointed Assistant Administrator of the Farm Security Administration, which position he has held up to the present time.

A WIDER MARKET for New York State apples is forseen by the New York Department of Agriculture and Markets, it was announced this week, following "successful negotiations for lower express charges on apples shipped from New York to Florida, Georgia, North Carolina, and South Carolina.

RECENT MIMEOGRAPHED REPORTS obtainable from the Bureau of Agricultural Economics include: "Farm Production and Disposition, Chickens and Eggs, 1925-1937"; "Direct Buying of Slaughter Livestock by Regions, 1923-37"; "The Citrus Industry of Palestine"; "Utilization of Cotton and Other Materials in Fertilizer Bags"; "List of Manufacturers of Fruit and Vegetable Hampers and Baskets (Revised to January 1939."



## MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

February 8, 1939

Vol. 19, Nos. 5 and 6

NEW JERSEY TO CONTINUE  
EGG ADVERTISING CAMPAIGN

The New Jersey Department of Agriculture reported this week that "continuation of the State Certified Fresh Egg advertising campaign for this year on a more extensive basis was unanimously endorsed by egg producers representing all cooperative egg marketing associations in New Jersey at their annual meeting in Trenton, February 8.

"It was agreed that newspaper advertising would be used in 13 newspapers in northern New Jersey for a period of 22 weeks. The advertising copy will endeavor to acquaint consumers with the true food value of fresh eggs, and suggest ways of using eggs to advantage in the daily menu. It was reported that approximately 300,000 dozens of fresh eggs have been sold through this campaign during the past year."

The eggs, purchased from producer-owned and controlled cooperative associations, are packed under the supervision of inspectors of the New Jersey Department of Agriculture.

-o0o-

LOUISIANA COMPLAINS ABOUT  
"JUNK PACKAGES" OF HONEY

The Louisiana Extension Division declared this week that "too many honey producers in Louisiana are putting 'junk packages' of honey on the market, and naturally, they are dissatisfied with the prices they are getting for their product." E. C. Davis of the Division said that "when they learn how to pack honey into attractive packages, they will then receive the good price that many of their competitors get."

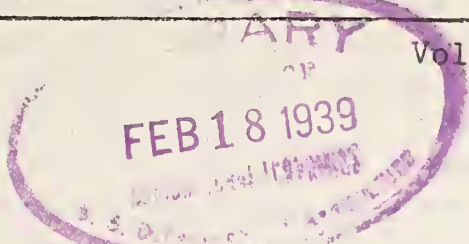
It was recommended that "honey producers learn how to process honey so that there will be a long 'shelf life' for the package. The honey must be slow to granulate, it must be clean and clear. It is surprising to note the general lack of detailed information which the ordinary beekeeper has regarding the fundamentals of the industry"

-o0o-

CALIFORNIA MARKET MILK  
SURVEY MAKING PROGRESS

The University of California recently reported that "analysis of market milk production, wholesaling and retailing has been completed for 11 of the 17 marketing areas of State, and shows that unit costs for retail delivery average less in Oakland than in any other market in the State."

In Oakland, retail trucks were found to carry an average of 360 packages as compared with around 300 packages in San Francisco, 250 in





Los Angeles and a smaller number in other markets. In Oakland, the average distance traveled per retail truck was 20 miles as compared with 40 miles in Los Angeles and greater distances in smaller markets.

Processing costs in the Los Angeles marketing area, however, were found to be below those in either Oakland or San Francisco. This "was due to the larger output of the Los Angeles plants and the fact that they operate on a 16-hour basis instead of the 8-hour basis of the other two marketing centers. It was also found that wholesale delivery costs were lower in Los Angeles than in Oakland, but those in Oakland were lower than those in San Francisco."

It was stated that "the data showed that wholesale volume in some markets has been unduly expanded at the expense of retail routes. This was particularly true in Los Angeles where special effort was made to obtain store, restaurant and hotel trade."

-oOo-

#### FARMERS GET LESS OF CONSUMER FOOD DOLLAR

The farmer's share of the consumer's dollar spent for a representative list of 58 foods in 1938 was the smallest in 4 years, according to R. O. Been in an article in the February issue of "The Agricultural Situation", monthly publication of the Bureau of Agricultural Economics. Been says the farmer's share amounted to 40 cents, as compared with 45 cents in 1937, with a low of 33 cents in 1932, and an average of 53 cents in 1913-15 when this Government compilation was started.

Other articles of interest to marketing specialists and extension economists, in the February issue, include "Our Agricultural Trade with Latin America" by J. L. Apodaca, "Farm Employment and Productivity" by E. E. Shaw, "Regional Changes in Hog Production" by C. L. Harlan, "Narrower Price Range Helps Tobacco Growers" by W. H. Stolting, "Quality Improvement of American Cotton" by C. H. Robinson, "Finding Normal Farm Values" by F. F. Hill, and "Industrial Production Declines" by P. H. Bollinger.

-oOo-

#### ILLINOIS SAYS TURKEY INDUSTRY EXPANDING

Reporting on "Recent Developments in Turkey Research", the Illinois Extension Service states that "until comparatively recent times the feeding of turkeys was not given serious consideration. It was believed by many that the nutritive requirements of turkeys and chickens were similar if not identical. It was also believed that management practices successful with chickens would serve in turkey production. As a result, mortality in turkeys was high and the industry declined.

"Breeding and disease research, together with the discovery of sound management practices for turkeys and of their nutritive requirements have played no small part during the past decade in making turkey production profitable."

-oOo-

"REFERENCES ON AGRICULTURE IN THE LIFE OF THE NATION" by Everett E. Edwards, is the title of a bibliography obtainable from the Bureau of Agricultural Economics.



CONNECTICUT DEPENDS UPON  
MANY STATES FOR ITS FOOD

Connecticut's \$50,000,000 agricultural industry falls far short of supplying the needs of the State, it was recently reported by the Connecticut Department of Agriculture. During the past year, 17,117 carloads of fresh fruits, vegetables, poultry and eggs were imported by train and truck into the Hartford, New Haven, Bridgeport and Waterbury markets. This was a slight increase over the 17,029 carloads imported in 1937. Forty-five States and several foreign countries found markets in Connecticut for their produce. Approximately 35 percent of the imports moved into markets by truck. California, Florida and New York led the States in supplying Connecticut with farm products last year.

-oOo-

PENNSYLVANIA CANNING  
TESTS SET "NEW HIGH"

The Pennsylvania Department of Agriculture recently reported that "State inspection of fruits and vegetables for canning reached a new high in Pennsylvania during 1938. Nearly 200,000,000 pounds of canning crops were classified by State inspectors during the season, an increase of 16 percent over 1937 and of 43 percent over 1936."

Supervising Inspector D. M. James said "the increase is due to the rapid growth of the Pennsylvania canning industry and to an increasing tendency among growers and canners to buy and sell these crops under official standard grades. A third reason was the expanding consumer demand for high quality canned foods."

Tomatoes led in the number of inspections, followed by apples and corn. Other canning crops inspected included sour cherries, peas, lima beans, berries, plums and grapes. In furtherance of the industry, Pennsylvania consumers are being urged "to ask for Pennsylvania-packed goods when buying in stores and markets."

-oOo-

FISHERIES MARKET NEWS  
SERVICE BEING EXTENDED

The United States Bureau of Fisheries is issuing a new publication called "Fishery Market News" which is "a review of conditions and trends of the commercial fisheries." It is stated that the Bureau's fishery Market News Service is now collecting comprehensive data used in the issuance of daily trade releases from its offices in New York City, Boston, Chicago, and Seattle, and that "within the next few months it will begin similar activities in Jacksonville, Florida." In recent months the daily service in Chicago has been supplemented by monthly summaries, and "as time and facilities permit, the other offices also will prepare and release monthly summarized reports.

"The periodic report now being inaugurated will include," the Bureau explains, "summarized data made available through the Market News Service, on movement and prices of fishery commodities; data on the current status of production and stocks on hand of fishery commodities; articles relating to the fisheries prepared by members of the Bureau's staff, members



of the industry, or other interested parties; excerpts or abstracts from Bureau or other publications relating to the fisheries; and related information."

-oOo-

NEW JERSEY FORMS COUNCIL  
TO PROMOTE LIVESTOCK INDUSTRY

Formation of the Council of New Jersey Livestock Breeders to coordinate and promote the general welfare of the Garden State's \$150,000,000 livestock industry was announced this week by the New Jersey Extension Service. Representative breeders of dairy cattle, sheep, swine, goats, horses and beef cattle are members of the Livestock Council, along with delegates from the State College of Agriculture, Experiment Station and Extension Service; State Department of Agriculture, Grange, Farm Bureau, veterinarians and producers of certified milk.

The Council has initiated a legislative program of support for a supplementary appropriation for tuberculin testing of dairy cattle, a Bangs disease eradication program and authorization of fresh sample milk testing. A sub-committee has been instructed to make a survey of fairs and exhibits, reporting its recommendations on how the livestock features may be improved. W. M. Nulton, Jr., instructor in dairy farming at the New Jersey College of Agriculture is secretary of the new organization.

-oOo-

ILLINOIS URGES THREE "V's"  
FOR ROADSIDE MARKETS

The Illinois Extension Service is urging Illinois farmers, homemakers or 4-H club members planning to operate roadside markets for the sale of fresh fruits and vegetables next summer not to overlook the importance of the three "V's" - visibility, variety and volume.

"Unless the display is readily visible to the approaching motorist," is stated, "he is likely to go past the market without even slowing down. To attract maximum attention, the display should be at the side of a straight, level road, at the top of a hill or at an outside curve, and there should be no obstruction to the view of the market from some distance along the road. A sign placed at an effective distance down the road is a further help in preparing the motorist for a stop at the market." Quality of products also is stressed.

-oOo-

MISSISSIPPI CAUTIONS  
AGAINST LOW-GRADE SEED

Mississippi farmers are being cautioned by the Mississippi Department of Agriculture against offerings of low-grade seed. It is stated that authentic reports have been received of some low-grade cottonseed, along with some lespedeza seed which does not comply with the State's pure seed law being brought into the State. Farmers are being urged by the Department to conserve the maximum possible quantity of feedstuffs, and to send samples of seeds to the State College, for analysis.



19  
134 Sm

# STATE AND FEDERAL MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

March 1, 1939

Vol. 19, Nos. 7-9

### MISSOURI DEPARTMENT REPORTS ON WORK; DISCUSSES TRADE BARRIERS

The Missouri Department of Agriculture recently issued a progress and service report of its activities for the biennium ending December 31, 1938. A news release from the Department states that in the report, "Commissioner Jewell Mayes frankly discusses 'Interstate Trade Barriers' menacing the orderly movement of farm products and much of other commerce.

"Commissioner Mayes, as an officer in the National Association of Commissioners, Secretaries and Directors of Agriculture," the Department said, "is one of the pioneers in teamwork to help loosen chains hampering free commerce between the States. He is opposed to 'government by promulgated regulations' and against trade barrier legislation.

"Barriers, set up by selfish state laws, short-sighted regulations or biased municipal ordinances, are doing (in too many States) much damage to the fair movement of farm and other products of North and South, East and West, hindering the flow to natural markets. Barriers in interstate trade," the release concluded, "is a practical problem meriting the gravest attention of every private citizen and public servant, and should be seriously considered soon in a national conference."

-oOo-

### ILLINOIS REPORTS ON BUTTERFAT TRANSPORT COSTS

The Illinois Extension Service declared recently that "the pound of butter on the dining table includes in its price a cost of 1.66 cents for hauling a pound of butterfat from farm to creamery." This cost feature was among facts disclosed in a creamery truck operation study conducted by R. W. Bartlett and G. W. Freemyer of the Illinois College of Agriculture. Owners and operators of 14 trucks hauling cream in central Illinois cooperated in the study.

Excluding labor, the average cost a mile for operating the 14 trucks was 3.14 cents. Costs for gasoline, tires, lubrication and repairs were about three-fourths of the total cost of truck operation. Largest single expense item was gasoline, which represented 46.6 percent of the cost of 3.14 cents a mile. Tires, repairs and lubrication comprised 26 percent of the total. Fixed costs were relatively low because of the high mileage for each truck which averaged about 36,800 miles over an 11-month period. The 14 trucks hauled during this period more than 2,200,000 pounds of cream, an average of 158,677 pounds per truck.

MAR 13 1939



### MINNESOTA CITES COST OF RAISING PULLETS TO LAYING AGE

Ninety cents was the total cash cost in 1938 of raising a pullet to laying age, according to figures of poultry raisers who kept flock records under the direction of the Minnesota Extension Service. Total cost included 61 cents for feed, and 29 cents for chicks, fuel and miscellaneous items. Ninety cents, however, was not the net cost, since the sale of cockerels and eggs produced before housing time was subtracted from the total. Cockerels were a considerable factor in lowering the cost of pullets because good poultry meat prices prevailed during the summer of 1938 and feed prices were low. Second only to feed in the cost records was the mortality rate of chicks - 16½ percent of all chicks died during the season.

The records indicated that the earlier the poultryman can dispose of his surplus cockerels and pullets, the better. The flock with the highest feed cost was one in which cockerels were not sold until August and September.

-oOo-

### NORTH CAROLINA WOULD EXPAND MARKETING WORK

An "adequate marketing program" was one of the recommendations recently urged by the North Carolina State Board of Agriculture in a joint meeting with North Carolina Senate and House agricultural committees. Commissioner W. Kerr Scott of the North Carolina Department of Agriculture outlined a program "which would necessitate employing 15 marketing specialists for virtually every phase of agriculture." An appropriation of \$58,000 for the fiscal year 1939-40 was requested.

The increased marketing work contemplates the employment of 3 poultry marketing specialists "to assist in correcting the present condition wherein 65 percent of the eggs sold in North Carolina are brought from other States and are poor in quality"; 3 tobacco grading specialists to do grading work for farmers "and prevent losses to growers, such as occurred on one large market last year when buyers walked off the floor after finding tobacco so jumbled they could not determine its value"; and a cotton marketing specialist.

Three fruits and vegetable marketing specialists would be employed; a forestry marketing specialist; a dairy marketing specialist, and a livestock marketing specialist. An agricultural products processing specialist would be engaged, "looking toward a program of establishing canneries that will permit farmers to dispose of their surplus crops", and a field crops marketing specialist. The joint agricultural committees agreed to the appointment of a sub-committee in both Houses to study the recommendations.

-oOo-

### NORTH DAKOTA TO STUDY FOOD FREEZING METHODS

Experimental studies dealing with the freezing of fruits and vegetables in cold storage lockers are to be made by the North Dakota Experiment Station.

The Station explained that "at present farmers are using cold



storage lockers almost entirely for freezing meats, poultry and butter. By broadening the use of the lockers to include fruits and vegetables, farm families can be assured of a better and more abundant food supply for the winter months."

-oOo-

#### NEW JERSEY REGULATES SALE OF STRAWBERRY PLANTS

The New Jersey State Board of Agriculture announced last week the establishment of regulations, effective immediately, to govern the sale and distribution of strawberry plants in New Jersey "in an effort to protect the strawberry industry from the economic loss which would result from the spread of a strawberry plant infection known as 'Red Stele' disease."

The Board ruled that "strawberry plants may be brought into the State of New Jersey or moved from point to point within the State only after they have been inspected by an official State inspector of the State in which they were grown, and found to be free from the so-called Red Stele disease (*Phytophthera* sp.), also known as Red Core, Brown Stele or Brown Core.

"All shipments of strawberry plants must have attached thereto a copy of a special certificate issued by the proper State official of the State of origin, attesting that the plants contained in the shipment were inspected by an official State inspector and found to be free of the Red Stele disease. The (New Jersey) State Department of Agriculture reserves the right to return to the point of origin any strawberry plants received in the State of New Jersey without such a certificate."

-oOo-

#### CORPORATE HOLDINGS OF IOWA FARMS INCREASING

An increase of nearly 1 percent in the number of Iowa farms passing into the hands of corporations during the last 2 years has raised the total corporate land ownings in 1939 to the highest figure in the history of the State, according to the Iowa Extension Service, reporting the results of a survey.

Corporations now own an area approximately equal to 12 of the 99 counties in Iowa, it was stated. In 1937, corporations owned 11.2 percent of the State's farming area. Now they own an estimated 12 percent, an increase of 1,800 average size farms in 2 years. Greatest increases in corporate ownership occurred in the 14 counties along the western border of the State and in the 10 counties in the southern part of Iowa.

Insurance companies are by far the most extensive corporate land owners in the State, owning an aggregate acreage equal to 6 Iowa counties, it was reported.

-oOo-

A MIMEOGRAPHED REPORT, "Driven-in Receipts of Livestock - 1938", is obtainable from the Bureau of Agricultural Economics.

CONNECTICUT REVOKES  
POULTRY DEALER LICENSES

The Connecticut Department of Agriculture reported recently the revocation of the licenses of two live poultry dealers doing business in Connecticut, for "fraudulent activity". The dealers are Joseph Miller of Providence, R. I., and Clarence E. Brown of Mystic, Conn.

Miller was convicted in the North Stonington court of using unsealed scales and paying for less than the actual amount of poultry which he bought, for which he was fined \$100 and costs and given a suspended jail sentence of 30 days.

Brown's license "was revoked after his vehicle had been attached and taken away by the sheriff. Brown had previously been given a hearing before the Commissioner of Agriculture to show cause why his license should not be revoked for the non-payment of some of the poultry he had purchased."

-oOo-

NEW YORK URGES MARKETING  
METHODS BE "MODERNIZED"

Modernization of the methods employed in marketing New York State farm products was "held essential" by Commissioner Holton V. Noyes of the New York Department of Agriculture and Markets, recently addressing the annual meeting of the State Horticultural Society. He said in part:

"The State, it seems to me, has done more than its part in establishing market facilities, highways and waterways as well as the machinery for a State trademark. It is now up to the individual grower to come forward with his full and hearty cooperation and determination to use these facilities to their utmost. In this connection, it seems to me, the most effective way this can be done is in the formation of cooperative associations. This has been the means by which the citrus growers of Florida and California have achieved their success."

-oOo-

MANY NEW ENGLAND MAPLES  
WERE RUINED BY HURRICANE

Millions of the hard maples of New England which produced syrup and sugar were destroyed by the 1938 hurricane, it was recently reported by the United States Forest Service. In Vermont, which produces nearly twice as much sugar and syrup as any other State, about one-third of the 5,000,000 maples were destroyed. New Hampshire lost 50 to 75 percent of its producing trees. Foresters estimate it will be nearly 100 years before new plantings reach the size of the trees destroyed in New England.

-oOo-

ILLINOIS SAYS HANDLING OF  
TRUCKED-IN LIVESTOCK IMPROVED

The Illinois Extension Service recently stated that "a major improvement in handling trucked-in livestock at the market is the motor truck bill-of-lading now used by truckers hauling to the National Stock Yards." Advantages cited included the avoidance of mixes and switches in livestock of different owners, the saving of time by truckers and stockyard employees (the trucker has his bill-of-lading made out and the



livestock marked before he backs up to the unloading dock), and the keeping of better records of shipments and condition of animals.

-oOo-

PRICE ADJUSTMENT PAYMENTS  
ANNOUNCED BY ADMINISTRATION

The Agricultural Adjustment Administration announced in mid-February the rates of the price adjustment payment which will be made to producers who plant within their 1939 acreage allotments of cotton, corn, wheat and rice. The payments will be made on the normal yield of each producer's allotted acreage. The rates announced are: Cotton, 1.6 cents per pound; corn, 6 cents per bushel; wheat, 11 cents per bushel; rice, 12 cents per hundredweight.

These price adjustment payments, which supplement the regular agricultural conservation payments, will be made under the provision of the Price Adjustment Act of 1938. That Act allocates \$212,000,000 to be paid to the producers of 5 major crops in amounts which will provide a return as nearly equal to parity price as the funds will permit.

-oOo-

MANY COTTON GINS  
NOW USING DRIERS

Approximately 800 cotton gins in the South used driers to improve the quality of the cotton in 1938, compared with 550 driers in the preceding year, it was learned in a survey conducted by the cotton ginning laboratories operated jointly by the Bureau of Agricultural Engineering and the Bureau of Agricultural Economics, at Stoneville, Mississippi. It is estimated that the 800 gins handled approximately 1 million bales of cotton during the season. About one-half the driers were in gins located in the Mississippi Valley, more than 250 driers were operated in the Southwest, and the remainder in the Southeast. The processes used by virtually all of the driers and several types of the driers themselves were developed at the Government cotton ginning laboratories.

-oOo-

NEW JERSEY TO EXPAND  
TURKEY GRADING SERVICE

The New Jersey Department of Agriculture recently reported on the success of its turkey grading and tagging service during the past season. It was stated that several thousand more native turkeys could have been sold, and that the service will be expanded next year. At a meeting of the New Jersey Turkey Growers' Association, the members were urged by the Department to investigate the desirability of establishing a central turkey dressing plant, to enable more growers to prepare their birds for retail distribution. With suitable facilities for dressing turkeys, more emphasis could be placed on quality, the Department said.

-oo-

"COST OF PRODUCING EXTRACTED HONEY IN CALIFORNIA" is the title of Technical Bulletin 656 recently issued by the United States Department of Agriculture.

A COMPLETE SCHEDULE of dates of issuance of the various crop and livestock reports of the Crop Reporting Board in 1939 is obtainable from the Bureau of Agricultural Economics, Washington, D. C.

MORE THAN 1,000,000 ACRES of submarginal land were held under accepted options as of January 1, 1939, by the Soil Conservation Service under Title III of the Bankhead-Jones Farm Tenant Act. By June 30, 1939, the Service expects to have approximately 2,100,000 acres under option.

THE ILLINOIS EXTENSION SERVICE reports that 10,000 miles of new electric lines will be constructed to serve Illinois farmers with electricity during the present fiscal year.

THE OKLAHOMA EXTENSION SERVICE says that 1938 was one of the most successful livestock years in the history of the State, due in part to the abundant supplies of livestock feeds during the past 2 years.

THE BUREAU OF AGRICULTURAL ECONOMICS looks for an improvement this spring in the domestic demand for farm products. In contrast, general foreign demand conditions "continue relatively unfavorable," it was stated. For the year as a whole, the Bureau expects that domestic demand conditions will be "relatively stable" compared with other recent years.

A SLIGHT REDUCTION in cattle slaughter but a sharp increase in hogs is in prospect for this year compared with last, it was reported last week by the Bureau of Agricultural Economics. Although the total meat supply will be considerably larger than in 1938, consumer demand will be stronger this year than last and increased exports of pork and lard are expected.

THE NEW YORK EXTENSION SERVICE reports that choice lambs, weighing 80 to 90 pounds, grown on grass in 5 or 6 months, are going to market from every section of the State. By way of indicating the eastern demand, it was stated that almost a million more sheep and lambs were killed in the New York City area last year than in the great packing center at Chicago.

THE LOUISIANA EXTENSION SERVICE issued a report this week urging southern farmers to "think of livestock production more in terms of food value for the farm home than in the market price they might receive for their surplus."

FARM POULTRY PRODUCERS expect to buy about 8 percent more hatchery chicks in 1939 than in 1938, according to reports from more than 22,000 crop correspondents to the Bureau of Agricultural Economics. Intended increases were reported for all major regions of the country, but the North Central region, which has nearly half of the United States chicken population, reported only a moderate increase.

THE GENERAL LEVEL of local market prices for farm products on February 15 was 92 percent of pre-war, compared with 94 in mid-January, and with 97 in February 1938.



# STATE AND FEDERAL MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

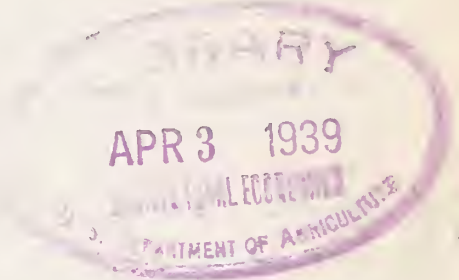
A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

March 22, 1939

Vol. 19, Nos. 10-12

### MARKETING OFFICIALS TO HOLD ANNUAL SPRING MEETING AT WASHINGTON

State and Federal Representatives  
Will Discuss New Developments  
in Farm Products Distribution



U S DEPT OF AGRICULTURE  
BUREAU OF AGR'L ECONOMICS LIBRARY  
4-K WASHINGTON D C

The Annual Spring Meeting of the Atlantic States Division of the National Association of Marketing Officials will be held at Washington, D. C., April 24 and 25. Benjamin P. Storrs, Secretary, has announced the following tentative program:

"The first day C. W. Kitchen, Assistant Chief of the Bureau of Agricultural Economics, has agreed to address us on the subject of 'Continued Cooperation under the Reorganized B.A.E.' Dr. W. G. Meal, new head of the Fruit and Vegetable Division of the Bureau of Agricultural Economics, will discuss 'Federal-State Relationships in Fruit and Vegetable Standardization.' Dr. C. W. Warburton, Director of Extension, has accepted our invitation to talk on 'Relations of Extension and State Departments.' Mr. Oley of New Jersey is going to give a progress report on Interstate Crop and Market News to be followed by a discussion of the same by Reginald Royston, agricultural statistician of the Bureau of Agricultural Economics.

"The second day our present program calls for a tour of the markets in Washington under the direction of S. B. Shaw, Director of the Maryland Department of Markets. The speaking program will include an address by Mr. Shaw on 'Modern Trends in Marketing Perishable Food Products'; another by Leo V. Card, Director of the Michigan Bureau of Foods and Standards, on 'Progress Made in Uniform Grades and Standards'; Professor James M. Gwin of the University of Maryland on 'Poultry Marketing'; and Representative Ralph O. Brewster from Maine on the 'Advantages of National Truth in Advertising Law for Fruits and Vegetables.'

"Discussion leaders following some of the addresses will include R. B. Etheridge of North Carolina, H. M. Newell of Illinois, W. H. Birdsell of New York, J. H. Meek of Virginia, H. A. Dwinell of Vermont, and Julius Kroeck of Massachusetts. The Program Committee also intends to have 'The 1939 Policy of the F.S.C.C.' discussed by one of the heads of the Corporation in Washington, and 'The Effect of the Wage and Hour Law



on Agricultural Commodities' explained by someone from Administrator Andrews' office." President of the Atlantic States Division is George E. Prince of South Carolina.

-oOo-

NATIONAL CONFERENCE TO BE HELD  
ON INTERSTATE TRADE BARRIERS

A National Conference on Interstate Trade Barriers is to be held at Chicago, April 5, 6 and 7, by the Council of State Governments. This Council is composed of State Governors, Commissioners, and Legislators who resolved in a General Assembly at Washington in January that "interstate trade barriers, under whatever guise, are detrimental to the economic welfare of the country." Forty-six of the 48 States were represented at the Assembly.

Frank Bane, Executive Director of the Council, recently informed the Bureau of Agricultural Economics that "scores of additional bills, extending these trade barriers, are pending in many of the 42 State Legislatures now in session." He added: "All agree that this movement, if not halted, will undermine one of the basic principles set forth in the Constitution, a principle upon which our prosperity and well-being largely depends."

A special report, "Barriers to Internal Trade in Farm Products," prepared by the Bureau of Agricultural Economics was submitted to Secretary Wallace early this month. It gives in detail the results of the Bureau's investigations of barriers affecting dairy products, margarine, alcoholic beverages, fruits, vegetables and other farm crops through the imposition of State taxes, licensing and bonding regulations, inspection limitations, quarantine restrictions, and other regulations.

The report shows that practically every State has erected trade barriers of one kind or another interfering with free trade between the States. Bureau officials declared that these restrictions "add hundreds of millions of dollars to the annual food bill of consumers and make it increasingly difficult, if not impossible, for persons in the lower income brackets to obtain necessary foods." They are a distinct limitation upon the expansion of agricultural production for domestic consumption, it was stated.

The National Association of Commissioners, Secretaries and Directors of Agriculture, at its annual meeting at Miami, Florida, last fall, passed a resolution in which it was stated: "We believe that each State, and every market in each State, should admit all healthy and honestly described products from any part of the country without discrimination on account of the location of the producer or dealer. Moreover, we urge the State and Federal governments to cooperate in the development of laws and regulations as simple and uniform as possible, in order to give the public needed protection with a minimum of interference with the free movement and sale of farm products.\*\*\*We pledge ourselves to resist attempts to discriminate against the products of other States and to support any program which we believe will bring about freer conditions of trade between the States."



COMMODITIES CORPORATION TO  
BUY UNREDEEMED LOAN WHEAT

It was announced this week that the United States Department of Agriculture has approved in principle a plan under which the Federal Surplus Commodities Corporation will purchase all wheat held under the 1938 wheat loan program to which the Commodity Credit Corporation takes title at the maturity of the loans.

Producers have the opportunity, between April 1 and June 15, 1939, it was stated, of redeeming any pledged or mortgaged wheat held under the loan program. Wheat which is not redeemed by the maturity dates, and on which producers have not obtained the extension of loan permitted in certain areas, will become the property of the Commodity Credit Corporation by the FSCC.

A total of approximately 81 million bushels is being held by the Commodity Credit Corporation as security under the 1938 loan program. The proportion of this quantity which will be sold to the FSCC will depend upon the extent to which producers take advantage of the opportunity to redeem their pledged or mortgaged wheat or to extend their loans. Except for relatively small quantities which will be used for domestic relief purposes, the wheat purchased by the FSCC will become part of the stocks available for future export.

Officials of the FSCC said that in special cases where the wheat purchased from the Commodity Credit Corporation was of types needed for domestic milling, or was of low quality, such wheat would be exchanged for other wheat which was suitable for export.

-oOo-

MOTORTRUCK COMPETITION  
LOWERS FREIGHT RATES

The effect of increased motor truck competition in lowering railroad freight rates on some commodities was brought out in an analysis reported this week by the Bureau of Agricultural Economics. The compilation shows an increase of nearly 100 percent in the relative share of the total inter-city freight traffic by motor trucks during the current decade, in contrast with a decline of over 14 percent in rail share of the total business.

Examples of commodities "whose rail rates have voluntarily been cut in response to truck competition," are cited by James C. Nelson in an article - Effects of Trucking on Freight Rates - in the March issue of the Bureau's "Agricultural Situation." The list includes cotton, citrus fruits (especially from Florida to the East), apples, California raisins, dairy products from Wisconsin and Iowa, hogs, automobiles, gasoline, canned goods and groceries, sugar, drugs and chemicals, cigarettes, rayon yarn, dry goods, clothing, boots and shoes, fertilizers, anthracite coal, sand, gravel, crushed stone and slag.

On the other side of the picture, Nelson states that "lack of vigorous truck competition may be a significant factor in explaining the relative stability of rail rates on such commodities as stocker and feeder cattle, sheep, wheat and grains, berries, peaches, cantaloupes, cabbage, tomatoes, white potatoes and other fresh vegetables, tobacco, lumber, furniture, bituminous coal, building stones, salt, cement, ores, and other products moving long distances or in bulk."



The article concludes with the statement that unless an alteration is made in the policy of the railroads to maintain or increase rates - at times despite general price deflation - on traffic believed not susceptible to diversion or destruction, "increasing diversion of long-haul and heavy traffic to other means of transportation is likely. Sources of traffic may disappear where shifting to other agencies of transport is not possible, unless farmers can increase their efficiency of production to offset higher rates."

-oOo-

#### FARM MORTGAGE INTEREST RATE LOWEST ON RECORD

The Farm Credit Administration declared this week that "the farmer is paying a lower average interest rate on his farm mortgage today than at any time on record, and an average rate lower than the long-term interest charge paid by any major industrial group, except the railroads and public utilities." Governor Hill of the Administration said the total farm mortgage interest bill has dropped steadily during the past 10 years, from 586 million dollars in 1928 to 372 million in 1937 and approximately 365 million last year.

"The annual interest bill on 2,250,000-odd farmers who have mortgages on their places now averages about \$160 per mortgaged farm," he said. "The number of dollars the farmer has to pay is not only smaller than for a long time, but also the interest bill takes a smaller part of his income." The average interest rate on all farm mortgages dropped from approximately 6 percent in 1929 to 5.25 percent in 1937, and available data indicate a further decline during 1938, according to figures cited by Governor Hill.

-oOo-

#### NEW JERSEY NOW HAS OFFICIAL "GRADE B" MILK

The New Jersey Department of Agriculture reports that "in an effort to extend its grading service to serve a larger number of producers and dealers, the State Board of Agriculture promulgated rules and regulations for what became known January 1, 1939, as New Jersey Official Grade B milk, a companion grade to supplement New Jersey Official Grade A."

Since August 1931, it was stated, "the department has been supervising the production and distribution of milk known to the trade as New Jersey Official Grade A. At present, over 50,000 quarts of New Jersey Grade A milk are distributed daily. With the adoption of a New Jersey Official Grade B, it is anticipated that a considerable number of dealers will place their Grade B supplies under the supervision of the Department of Agriculture."

The new regulations require that the milk be produced by cows subject to physical examinations by a qualified veterinarian every 6 months. Milk must be cooled immediately to 50 degrees and the bacterial count can not exceed 20,000 per c.c. The minimum butterfat count has been set at 3.5 percent for Grade B, while the New Jersey Official Grade A butterfat count has been raised to 4 percent."



### OHIO FINDS EGG AUCTIONS DO BEST NEAR LARGE CITIES

The Ohio Extension Service reported this week that experience with egg auctions in Ohio shows that success depends to a considerable extent upon location in a surplus egg producing area but near large centers of population. The Wooster auction, started in 1932 (near the center of 7 counties which derive 17 percent of their total farm income from poultry), has gained consistently in volume, value, and quality of goods handled, it was stated. The Versailles auction, started in 1938, is a market center for 6 counties which get 12 percent of their farm income from poultry.

Poultrymen now are considering, it was announced, the feasibility of organizing an auction to serve 7 northwestern Ohio counties, where poultry brings in 15 percent of the total farm income. "Toledo and Detroit are near enough to permit buyers from those cities to attend an auction in this district."

-oOo-

### FARMERS COOPERATE TO MARKET WOODLOT PRODUCTS

The New York Extension Service recently reported "a new venture in farmer cooperation - the cooperative marketing of products from farm woodlots." Incorporated as the Tioga Woodland Owners Cooperative, the group has a membership of 50, who own and control 3,000 acres of merchantable timber. They are prepared to handle all products of the farm woodlot, such as firewood, pulpwood, lumber, and mine props. The first sale contract was completed recently, 100,000 board feet of saw logs. After deducting administrative expenses, and allowing an extra 5 percent for sound forestry practices, the owners will receive, it was said, "substantially more than they would get as individual sellers."

-oOo-

### NEW HAMPSHIRE REPORTS ON MAPLE SUGAR MARKETING

Obtainable from L. A. Dougherty, extension economist in marketing, New Hampshire Extension Service, is a brief report summarizing information developed at a series of maple products meetings recently held by the Service.

It is stated that prices of maple sirup have followed an upward trend for the past 5 years, and that "prices seem to be more sensitive to changes in consumer purchasing power than to changes in production from year to year." Supplies of sirup in the hands of Vermont dealers and distributors on January 1, 1939 were reported as being "over 5 times the quantity a year ago, and 47 percent above the 5-year average."

Mr. Dougherty suggests that "increased cash income is possible through conversion of sirup to creams and candies and through sale in small containers." He urges producers to build direct sales by developing a variety of products, using attractive packages, displaying products in summer hotels and tea rooms, advertising by direct mail and roadside signs, and maintaining year-round supplies and service.



### FACTS ABOUT THE EXPERIMENTAL FOOD-STAMP PLAN

Plans for distribution of surplus farm products through normal trade channels on an experimental basis provide for issuance of food stamps to needy persons receiving or certified for public aid. The stamps would be redeemable by the Government and acceptable in regular retail food stores for designated surplus commodities. They would be used to provide low-income families with food purchasing power in addition to their usual food purchases.

Part of the funds already available to the Federal Surplus Commodities Corporation for surplus removal operations would be used to finance redemption of the surplus commodity stamp.

According to present plans, the experiment would be tried in a few representative cities of varying population, from 50,000 up, in widely separated areas. During the course of the experiment, the usual direct distribution by the FSCC through State relief agencies probably would be discontinued in the experimental cities. In the remainder of the country, surplus purchases by the FSCC and distribution through State relief agencies will be continued.

The surplus food products distributed under the experimental plan would move from the producer to the consumer in the regular wholesale and retail trade channels. There are three variations of the experimental plan, all of which are based on the same fundamental principles. Each is expected to be given a trial in one or more cities. The chief difference is in the method of getting the stamps into the hands of eligible families. According to present plans the stamps for purchasing surplus products would be blue.

One variation provides for using the blue stamps with orange stamps in the ratio of 1 blue stamp with 2 orange stamps. The orange stamps could be exchanged for any food, whether surplus or not. Eligible persons who made application would receive orange stamps, dollar-for-dollar, in lieu of a portion of their WPA wage or direct relief payment. They would be given the blue stamps.

The only purpose of issuing the orange stamps with the blue stamps would be to make sure that the blue stamps were not used to replace customary food purchases.

A second variation provides for using orange stamps and blue stamps together. But, eligible persons would purchase the orange stamps for cash. A third variation provides for issuing blue stamps only. The operation of this method would be studied to determine whether the use of orange stamps was necessary to prevent surplus purchases from replacing regular food purchases.

Studies to determine the effect on nutrition and the demand for surplus farm products will be conducted in all cities in which the experimental plan is tried. Plans for the extension of the experimental program to other areas will depend upon the results achieved in the test cities.

- Office of Director of Marketing and Regulatory Work.



STATE AND FEDERAL

# MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

April 12, 1939

Vol. 19, Nos. 13-14

### MARKETING OFFICIALS TO DISCUSS TRADE BARRIERS AT SPRING MEETING

Internal trade barriers have been scheduled for discussion at the annual meeting of the Atlantic States Division, National Association of Marketing Officials, to be held at Washington, D. C., April 24 and 25. No other additions have been made to the program of the meeting as announced in the March 22 issue of "Marketing Activities".

The trade barriers discussion, at the afternoon session on April 24, will open with a report by Wells A. Sherman on the trade barriers conference held by the Council of State Governments at Chicago early this month. Mr. Sherman was a delegate of the National Association of Marketing Officials, at the Chicago meeting. His report will be followed by open discussion led by Webster J. Birdsall, Director of the New York Bureau of Markets at Albany.

-o0o-

### MANY RADIO STATIONS BROADCASTING MARKET NEWS

More than 345 radio stations in the United States are broadcasting one or more daily programs of agricultural market information, according to a recent survey by the Bureau of Agricultural Economics. With a few exceptions, the market news information used by these stations is collected and compiled by the Bureau, which has just issued a directory of stations and commodities covered by the broadcasts. The directory shows an increase of 90 stations during the past year, and an increase of more than 160 during the past 2 years. The information in the directory was obtained through questionnaires sent to each of the 726 radio stations in the United States.

Reported also are results of a study of listener-interest made during the past year by the Bureau in cooperation with stations WOI and WLS. Questionnaires were sent to more than 18,000 farmers in Michigan, Indiana, Illinois, Wisconsin, and Iowa. The returns showed that the noon hour is the most convenient and the most popular time for the presentation of market reports. They also showed, however, an increased number of farmers listening to early morning broadcasts. A number of farmers asked for an evening market summary.

Farmers urged that the period during which market news is broadcast should be definitely fixed, and that changes in the scheduled time should be made only after adequate notice to listeners. They asked for better-informed announcers. Some wanted more market information on wool, others more information on livestock, dairy products, poultry products, fruits, and vegetables.



PRICES OF FLAXSEED IS  
SUBJECT OF SENATE DOCUMENT

The United States Senate this week ordered printed as a Senate Document a report of a study of prices of flaxseed by the Bureau of Agricultural Economics. The report shows that although farm prices of flaxseed in 1938 averaged slightly higher than the pre-war level, farmers in general were having to pay 27 percent more for commodities used in agricultural production, including interest and tax payments. Flaxseed prices have been below "parity" since 1920.

The report was prepared in response to Senate Resolution 167 by the Seventy-fifth Congress, directing the Secretary of Agriculture "to make a thorough investigation of the influences and factors keeping the price of flaxseed under parity." Four factors which have contributed to keeping prices under parity were cited: An increase in world production of flaxseed, the increased use of oils other than linseed oil in the drying industries, increased world supplies of feed grains and high protein feeds, and higher processing and distribution costs.

It was reported that the demand for drying oils which are used largely in paints and related products "apparently has not been much greater since the war than in the pre-war period."

-oOo-

PRODUCE SHIPMENTS ARE  
LARGEST IN SEVEN YEARS

Car-lot shipments of fruits and vegetables in 1938 (including boat shipments, but not movement by motor truck) were the largest in 7 years, according to a report by the Bureau of Agricultural Economics. The total was 837,173 cars, against 826,395 in 1937. Prior to 1932 the tonnage filled more than 1,000,000 cars a year. Shipments of potatoes last year totaled 211,230 carloads, compared with 222,023 in 1937. Oranges were the leading fruit - 114,609 carloads compared with 76,890 in 1937. The report tabulates the carlot shipments by commodities, States, and months.

-oOo-

NEW YORK LIVESTOCK  
AUCTION SYSTEM EXPANDS

The New York Extension Service reported this week that community livestock auctions have increased rapidly in number in the Empire State, that last year 34 were operating in 24 central New York counties. More than half of these auctions, handling all breeds and classes of livestock, including cattle, calves, sheep, hogs and horses, were started within the past 3 years. The usual charge for selling animals is 5 percent for cattle, and 7 percent for calves. Managers of the auctions reported that farmers consigned about half of the livestock sold, dealers consigned the remainder. Most of the livestock sold are cattle and calves for slaughter. A fairly large number of medium-grade dairy cows are sold. The larger auctions hold weekly sales throughout the year.



CALIFORNIA SAYS FRUITWAXING HAS POSSIBILITIES

Waxing of deciduous fruits to reduce water loss and preserve appearance and flavor after harvest may, within the next few years, be adopted on a commercial scale, according to L. L. Claypool, University of California.

Citrus fruits in California are being waxed successfully on a large scale, it was reported, and attention is now being directed toward the possibility of waxing deciduous fruits. Extensive trials have been carried on with cherries, plums, nectarines, peaches, pears, and apples. No unnatural flavors were found in peaches or nectarines on which water waxes were used. The fruit generally retained firmness and good flavor longer than untreated lots. Most of the fruits tested held in good condition at room temperatures longer than untreated lots.

-oOo-

AMENDMENT TO FEDERALRYE STANDARDS PROPOSED

The Bureau of Agricultural Economics announced this week it is submitting for public consideration a proposed amendment to the official grain standards of the United States for rye. The purpose of the proposed amendment is to provide a definite grade for those lots of rye which contain excessive quantities of thin kernels, thus to increase the usefulness of the rye grades to all branches of the industry. The proposed amendment if promulgated would add a special grade to the rye standards defined approximately as follows: "Thin rye shall be any rye which contains more than 15 percent of rye and other matter that will pass through a 20-gauge metal sieve with slotted perforations 0.164 inch wide by 3/4 inch long."

Conference meetings for the purpose of discussing the proposed amendment with all interested persons have been scheduled at Chicago, Milwaukee, Duluth, Minneapolis, and Omaha, on successive dates, April 24 to April 28 inclusive. Federal Grain Supervisors have been instructed to cooperate with those engaged in the production, sale, and processing of rye, in the interpretation of the proposed amendment and its significance and application.

-oOo-

NEBRASKA HAS NEW ICE CREAMREGULATORY MEASURE

The Nebraska Legislature recently passed a new ice cream regulatory measure which provides for the licensing of manufacturers of frozen desserts, regulates weights, and prohibits the sale of imitations. Frozen desserts are defined as ice cream, milk sherbet, ice milk, fruit ice or ice sherbets, custards and frozen malted milk. Ice cream mix is defined as containing not more than one-half of 1 percent by weight of edible gelatin or vegetable stabilizer, not less than 20 percent of total milk solids, and not less than 14 percent milk fat.

-oOo-

A SUMMARY (mimeographed) of the New Jersey Potato Deal, in 1938 is obtainable from the New Jersey Department of Agriculture, Trenton, N.J.



### MANY NORTH CAROLINA FARMS HAVE INSTALLED ELECTRICITY

More than 45,000 farm homes in North Carolina have been equipped with electricity since 1935, it was reported recently by the North Carolina Extension Service. Prior to 1935 a survey showed that only 11,558 farms in the State were electrified; today a total of 56,609 farms have this modern convenience. In Caldwell County alone, 1,000 rural homes had electricity installed in 1938. To date, 82 percent of the rural homes in Caldwell have electricity. Other improvements throughout the State have included the installation of water systems in many farm homes, the purchase of numerous household appliances, and the improvement of many kitchens by correcting lighting and plumbing equipment.

-oOo-

### LIVESTOCK MARKETINGS SUSTAIN FARM INCOME

The Bureau of Agricultural Economics reported this week that although prices of farm products declined slightly in the first quarter of this year, income from marketings plus Government payments was not much less than in the first quarter of 1938. The Bureau added that income from farm marketings in March was larger than in February, whereas the usual trend of income is downward from February through March and April. The increase in March was attributed "primarily to larger returns from marketings of livestock and livestock products."

The Bureau said that while developments during the past month would delay - and might even prevent - the anticipated moderate spring improvement in domestic demand for farm products, "prospects still are for a year of relative stability in domestic demand conditions if there is no general European war."

-oOo-

### TRACTORS COMPLICATING UNEMPLOYMENT PROBLEM

Thousands of farm tenants and laborers are being "tractored off" farms in this country, it is indicated in a survey made by E. G. McKibben of Iowa State College, and R. A. Griffin of the Works Progress Administration. (A complete report of the study has been issued by the Works Progress Administration, 1015 Chestnut Street, Philadelphia).

The survey showed that by 1935 more than 410 million man hours of work per year on the farm had been replaced by the tractor. These figures would indicate that at least 300,000 fewer men were needed to till the country's crops than as if only horses were used. Three-fourths of the men replaced by tractors on farms are needed to build and maintain the new tractors, McKibben estimates. But the new jobs the tractors create, he adds, are to be found only in cities far distant from the affected farm homes and call for skills and training that few farm workers possess. "Tractors therefore tend to increase the ranks of the unemployed in rural districts, at least during the painful period of readjustment."

-oOo-

PROSPECTS continue to favor increased egg production and increased production and marketings of poultry this year compared with last. - BAE.



## MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

April 26, 1939

Vol. 19, Nos. 15 and 16

MARKETING OFFICIALS - ATLANTIC STATES DIVISION,  
NATIONAL ASSOCIATION - CONFER AT WASHINGTON

Interstate Trade Barriers, Broader Markets for Fruits and Vegetables,  
Crop and Market News Services, Poultry Marketing Costs and  
State-Federal Relations Command Attention of Market-  
ing Officials at Annual Spring Meeting

State and Federal marketing officials and trade organization representatives attended the Spring Conference and Annual Meeting of the Atlantic States Division of the National Association of Marketing Officials at Washington, April 24 and 25. Discussion topics at the 2-day session dealt with interstate trade barriers, means of increasing consumption of fruits and vegetables, modern trends in marketing, and factors affecting poultry marketing costs. Official representatives were present from State marketing agencies in Maryland, Delaware, Ohio, Georgia, Vermont, South Carolina, North Carolina, New Jersey, Illinois, Florida, Michigan, Connecticut and Virginia.

Interstate Trade Barriers

F. V. Waugh of the Bureau of Agricultural Economics reported highlights of the recent State Trade Barriers Conference at Chicago. Sponsored by the Council of State Governments, the Chicago meeting on April 5, 6, and 7 considered the major types of trade barriers in agriculture, commerce and industry. Mr. Waugh pointed out that the Bureau's recent report, "Barriers to Internal Trade in Farm Products", served as the basis for much of the discussion by the agricultural committee at the Chicago meeting.

"The Committee recommended," he said, "that all trade barriers having to do with the interstate movement of horticultural commodities, including nursery stock, be removed, except those pertaining to public health and to the reasonable control of injurious insect pests and plant diseases."

"The Committee", Mr. Waugh continued, "condemned the practice of States, counties and municipalities promulgating economic regulations and ordinances, making more stringent rules for the production and processing of milk and dairy products than are necessary for the protection of

U S DEPT OF AGRICULTURE  
BUREAU OF AGRICULTURAL ECONOMICS LIBRARY  
4-K WASHINGTON D C

public health and having the purpose of barring such products from such States, counties, and municipalities. It maintained that these acts erected insurmountable trade barriers and protective walls around fluid milk markets, to the benefit of special local interests and to the detriment of the community and the consumers in the community.

"To reconcile public health protection with free interstate movement of milk and dairy products, it was recommended that States adopt uniform minimum standards with respect to acceptable sanitary requirements. It was further recommended that milk and dairy products from a State having such minimum standards be accepted in another State having like standards, upon certification by the State of origin.

#### Regulation of Motor Trucks

"The Committee at Chicago also pointed out that regulation, licensing, and bonding of the occasional-trucker or merchant-trucker are necessary and desirable. On the other hand, it recognized that excessive license fees and restrictive regulations, as well as preferential treatment of local interests set up unnecessary and burdensome restrictions on local and interstate commerce. 'The public interest', its report said, 'demands that truckers be given a place in the market.'

"It recommended that under no circumstances should heavier taxes be applied to non-resident truckers as compared to resident truckers, whether the same be imposed through ports-of-entry or other systems of taxing or licensing the operation of trucks and other motor vehicles. It was also the opinion of the Committee that uniform load limits requirements should be adopted by States within their regions, as well as a uniform system of license fees or taxes.

#### Margarine Taxes Affect Consumers

"On the matter of margarine taxes, the Committee maintained that taxes and unreasonable license fees have been enacted to give market protection to two principal groups of producers, namely, the dairy farmers and the local producers of domestic oils and fats. It held that the use of such taxes and license fees on oils and fats by States against each other, by States against the territory of the United States or by States against foreign countries, is contrary to the spirit of the Constitution. '...such restrictions under whatever guise tend to affect adversely the consumer who is least able to bear the burden of such additional taxation.'

"Confusion, misinformation, and discrimination against products of the several States are caused in large measure by the lack of uniform standards of grading, packing, marking, and labeling of produce. The barriers to interstate trade so built have become in many instances a



direct burden both upon the producers of wholesome products and the consumers of such produce. 'This condition can be effectively remedied', the Committee said, 'only by the action of the several States in the adoption of like standards of grading, packing, marking and labeling. The United States Department of Agriculture, representing the agricultural interests of the Nation as a whole, is eminently qualified to cooperate with the States in this regard.'

"The reports of the Committees on Commerce and Industry and on Liquor Control also had some bearing on problems of Agriculture. As pointed out in the recent Bureau report, many of the liquor laws are decidedly discriminatory. For example, special inducements are often given to brewers and to wine manufacturers who use local farm products in preference to those grown outside the State. Such practices were condemned by the Committee on Liquor Control. The Committee on Commerce and Industry considered the motor truck situation and in its report made recommendations similar to those made by the Committee on Agriculture.

#### Free Trade Among States Held "Traditional"

"The Chicago conference adopted several resolutions, including the statement: 'Be it further resolved that this conference recommends that the States return to the traditional American policy of free trade among States, in order that the consumers and producers of the Nation may buy and sell without legal discrimination, either as to place or origin of goods, the method of transportation or the efficiency of the producer.'"

Mr. Waugh said that a group of liaison men representing several Bureaus of the Department is considering the details of a practical program to reduce or eliminate unnecessary trade barriers. This group has expressed the belief that any effective program will require active cooperation between State and Federal officials.

H. M. Newell of the Illinois Division of Markets brought out that the Chicago conference has provided material for blocking further legislation that would unduly restrict interstate commerce. He stated, however, that legislators with whom he had talked at the conference were of the opinion that repeal of existing trade barrier legislation would prove much more difficult.

#### Building Volume Sales For Produce

S. B. Shaw of the Maryland Department of Markets and Earl French of New York City pointed to the changes that are being made in the marketing of perishable food commodities to effect distribution of the greatly increased production that has developed during recent years. Mr. Shaw cited the Export Apple Act, intended to protect foreign consumers of American fruit, as legislation that has benefited American fruit growers.

"If protection of our foreign customers is advisable", Mr. Shaw asked, "why is it not equally important that we assure consumers in this country of quality and grade in the produce they purchase?" He also pointed out that many shippers are utilizing only a few of the markets at which their produce can be advantageously handled, whereas modern transportation and shifts in consumer buying have opened many markets to which shippers formerly did not have access.

Earl French of the Atlantic Commission Company asked the marketing officials to consider the change in recent years from natural market expansion for fruits and vegetables to one where producers and handlers now have the task of creating larger demand and use of the products they handle.

Aggressive advertising campaigns by potato growers in Maine and Idaho and by citrus producing areas were cited by Mr. French as examples of steps producers are taking to increase the demand for their products. "Advertising, State 'seals of quality' and other resources are now called upon", he said, "to stimulate the progress made by manufacturing interests in creating a broader outlet for their products." Specific needs of the perishables industries were listed as (1) informing consumers and keeping them informed of the merits of fruits and vegetables as a means of creating demand, (2) maintenance of uniform supplies throughout the marketing season for any crop, and (3) dependable quality of produce offered to consumers.

H. M. Newell served as discussion leader following Mr. French's talk. Mr. Newell pointed out that fruit and vegetable grades often do not carry through to the consumer, due to damage and deterioration in transit. He suggested that with many products, sorting at terminal markets would act to assure retailers and consumers of grade maintenance. Mr. French confirmed Mr. Newell in his contention but stated that the 15-pound bag for potatoes already has established itself as a shipping package where grade is maintained, and predicted increasing popularity for this package. He also cited the success of apple growers with consumer packages where the consumer-size containers are packed immediately prior to shipment.

#### Marketing Costs and Margins

C. W. Warburton, Direction of Extension Work for the U. S. Department of Agriculture reviewed the activities of extension workers in cooperation with State Bureaus of Markets. "The most obvious marketing problems in the minds of the majority of people", Director Warburton said, "involve the spread in prices received by farmers and prices paid by consumers. Both farmers and consumers are greatly interested in costs of distribution - the farmers, particularly when agricultural prices drop; and the consumers, when prices advance. For a number of years the spread between prices paid by consumers for food and prices received by producers has been widening.



"As shown in a recent release by the Bureau of Agricultural Economics, the cost of distributing 58 selected foods has been gradually increasing since before the War. The percentage of the consumer's food dollar which was paid for transportation, processing, and all other marketing costs has increased from an average of 45 percent for the 8-year period 1913-20 to 54 percent for the decade 1921-30, and to 59 percent for the years 1931-38. These increased costs have been brought about largely through duplication in marketing methods, facilities, and services; a lag in the change of fixed costs to conform to a falling prices level which has prevailed during most of the period; legal barriers to interstate trade; increased costs of services in packaging, processing and advertising; as well as a certain amount of inefficiency, speculation, and excessive waste in distribution."

Dr. Warburton pointed out that many of the increased costs in marketing have arisen from the performance of new services for consumers. "One result of these new services, plus other marketing functions", he said, "has been to increase the percentage of our total population gainfully employed in the field of distribution nearly 600 percent between 1870 and 1930. This may be compared to an increase of approximately 275 percent in all occupations during the same period. To say offhand that the increase in costs of distribution has been necessary or unnecessary is to take a somewhat narrow view of the problem. It illustrates the point, however, that no single solution to the problem of securing greater efficiency in our system of marketing and thereby reducing distribution costs can be obtained." Dr. Warburton stated that this task requires the cooperation of all agencies and that real efficiency in marketing may well result in lower prices to consumers, in a greater income to farmers, and in greater profits to dealers and processors.

H. A. Dwinnell of the Vermont Division of Markets brought out that the effects of community cold storage lockers, quick-freezing, and other marketing developments were yet to be felt in their entirety upon the fruit and vegetable industry. Mr. Dwinnell said that many are watching with interest the results of Maine, Pennsylvania and other potato sales programs. He expressed the opinion that this type of advertising may not increase distribution on a nation-wide basis as is desired by the industry as a whole. The State programs were referred to by Mr. Dwinnell as efforts by States which have invested heavily in advertising, to protect those investments.

#### Advertising Farm Products

Warren W. Oley of the New Jersey Bureau of Markets pointed out that New Jersey has a large industrial population and a deficit production of certain agricultural commodities. He expressed the opinion that benefits to consumers as well as producers may be more apparent where nation-wide programs promote consumption and distribution, as contrasted with State-promoted programs. "We should favor nation-wide advertising on many commodities", he said, "and advertising within our State of those products where we have an advantage over most other areas."



George Travis of the National Association of Food Chains pointed out that advertising prior to recent years has not included any material expenditure for publicizing fresh fruits and vegetables. Farm products which have been advertised have been largely manufactured food products in which the farmer has but a small interest as regards the proportion of the consumer's dollar received. "With advertising of farm products that go to the consumer in the form in which they leave the farm," Mr. Travis said, "farmers have a larger interest and the end of such advertising should be to give the farmer a larger proportion of the consumer's food dollar."

#### Reorganization of B. A. E.

C. W. Kitchen, Associate Chief of the Bureau of Agricultural Economics, outlined changes which are to become effective July 1 in the reorganization of the Bureau. "At that time", said Mr. Kitchen, "the Bureau of Agricultural Economics will become the basic research and planning organization for the entire Department of Agriculture. The newly created Agricultural Marketing Service will assume all of the service and regulatory activities formerly administered by the Bureau and will acquire from other Bureaus administration of the Packers and Stockyards Act and the Federal Seed Act. The Agricultural Marketing Service will administer the present work of standardization, classification, grading, handling and marketing farm products. In addition, it will deal specifically with problems in the preparation of farm products for market."

Mr. Kitchen pointed out that the Agricultural Marketing Service will continue cooperation with the States in market news, inspection and other phases of service and regulatory work. In referring to the inspection of farm products he stressed the need for greater uniformity in the regulation of matters having to do with qualifications, salaries and leave. "The variation in regulation of these items in different States", he said, "has often made it difficult to maintain uniform treatment and efficiency in the inspection service."

W. G. Meal, who is in charge of the Fruit and Vegetable Division of the Bureau, discussed Federal-State relations in fruit and vegetable standardization. "To meet the need for developing uniformity in grade interpretations", he said, "the Bureau has maintained field supervision during the past season. As the work of checking grade applications in various areas has progressed the beneficial results of these attempts toward effecting uniform application have become more apparent." Mr. Meal reported a growing tendency for growers to know more about marketing processes and to place emphasis upon cheaper and better marketing services.

The growing interest in advertising and publicity for fruits and vegetables were credited by Mr. Meal with having been largely responsible for the growing demand for more complete information about these important farm products. He said that many grower and dealer interests are considering systematic programs of education for both consumers and handlers.



Interstate Crop and Market News

Mr. Oley reported some progress toward more complete interstate crop and market news service. He stressed the need for more complete information upon market supplies of motor truck produce and produce from nearby producing areas. "These 'homegrown' and motor truck arrivals", said Mr. Oley, "have created a situation whereby it is now impossible to know the volume of supplies available or intended for market as was the case when reports of carload shipments and arrivals made up the major portion of market supplies." He quoted the rather complete market letter released by the Connecticut Bureau of Markets following the hurricane damage of 1938 as an example of market reporting that adds much to the value of Federal and State reports. Mr. Oley's Bureau issues weekly reports on orchard crops, mailing the reports to several hundred handlers of New Jersey products and others interested in supplies from Jersey areas. Mr. Oley stated that wholesale and retail interests have cooperated with his Bureau both in supplying and in using market news information on motor truck and homegrown supplies available or in prospect for the near future. Mr. Oley also cited the use of teletype by his offices as a means of rapid dissemination of market information.

R. Royston, statistician from the Division of Crop and Livestock Estimates, in the Bureau of Agricultural Economics, led the discussion of Mr. Oley's report. Mr. Royston outlined the many difficulties experienced in obtaining information on fruits and vegetables by specific States or areas. Telegraphic service on this information was held prohibitive at this time with air mail service as a possible alternative for bringing the information to a point of assembly and distribution.

Grading and Labeling Farm Products

J. H. Meek of the Virginia Division of Markets stressed the importance of grading and labeling as a means of making consumers quality conscious. "At times", Mr. Meek said, "we are grossly negligent in our duty to make it possible for consumers to buy on the basis of quality and provide a basis of trading such as merits the confidence of both buyers and sellers." He pointed out that it has not been possible to get consumers to buy on the basis of grade but that the use of color in labels, as an indication of quality, has proved more effective. He suggested that if States generally adopt uniform application of color to labels, color can be accepted as an identifying mark for quality. Blue may be used for an identifying mark for produce of the highest quality, followed by red and yellow as denoting the grades below that bearing the blue label or tag.

"As a means of assuring proper use of color tags, marks printed upon the tags could be against a background of State and Federal maps. "The use of the State map or the map of the United States", Mr. Meek said, "is a matter over which Government agencies have control and such tags could not be duplicated or used in any manner contrary to regulations imposed upon their use." He stressed the need for continuous inspection of produce bearing such tags as a means of assuring rigid adherence to quality requirements.

### Poultry Marketing Costs

James M. Gwin of the University of Maryland discussed poultry marketing costs on the New York market. "Present costs", said Mr. Gwin, "total around 16 cents per pound for 3-pound broilers produced in what is known as the Delmarva area of Delaware, Maryland and Virginia. This means that when country buyers are paying producers 15 cents a pound for these broilers, the cost to consumers in New York City is slightly over the 30-cent mark.

Mr. Gwin pointed to some factors which may make possible some reduction in marketing costs but stated that the present high cost of marketing live poultry on the New York market is effecting changes within the producing industry in the East. "Dressed poultry can be marketed at a much lower cost per pound than live poultry and 5 new dressing plants have been erected in the Delmarva area during the past year", he said. "Poultry producers in this area have reached a point in production where expanded outlets for their product are essential. They are turning to dressing as a means of broadening their markets and delivering their poultry to consumers at lower cost per pound."

### Rep. Brewster on Advertising

Representative Ralph O. Brewster of Maine discussed the advantages of a National truth-in-advertising law for fruits and vegetables. Mr. Brewster outlined the work of Maine interests in promoting the distribution of Maine potatoes during the 1938-39 season. "Maine growers", he said, "have secured by voluntary cooperation, the certification of a large part of their potato crop and our potatoes are available in graded and tagged lots." He brought out, however, that he has personally found instances of large-scale mixing of inferior potatoes with U. S. No. 1 Maine potatoes after arrival at market.

### Markets Inspection Trip

Visiting marketing officials and their guests inspected the Washington wholesale produce markets early Tuesday morning. Leaving by special bus at 6 a.m., the visitors had an opportunity of observing the arrangement and operation of the Washington markets during trading hours.

### Election of Officers

Benj. P. Storrs of Connecticut was named President of the Atlantic States Division of the National Association for the coming year. R. P. Etheridge of North Carolina was named Secretary.



# STATE AND FEDERAL MARKETING ACTIVITIES AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

May 10, 1939

Vol. 19, Nos. 17 and 18

## OREGON EXPECTS "BIGGEST YEAR" IN PRODUCE INSPECTIONS

The Oregon Department of Agriculture reported this week that "the biggest season in its 13 years of service to Oregon agriculture is already assured for the Federal-State Shipping Point Inspection Service." Records show that 20,322 carlots of fruits and vegetables had been inspected and certified up to April of the season which is from July 1 to June 30. The previous high spot in carlot certifications was reached last season when 19,630 carlots received the inspectors' certificates. Practically all major commodities are ahead of last year, it was stated. Last season 8,709 carlots of potatoes were certified. To April 1 of this year, 9,038 cars of potatoes had been inspected. A marked increase was reported in inspections of onions.

The Department also reported it had been informed by California weights and measures officials that the Oregon standard hallock berry box will be subject to seizure on the southern market this season, on the ground that "its construction facilitates fraud and deception." Changes required in the box involve the cutting away of portions of two opposite sides in order to show the bottom. The Oregon Department said that local manufacturers are prepared to meet the demand for the special containers.

-oOo-

## NORTH DAKOTA FINDS JACKRABBITS PROFITABLE

The sale of jackrabbit skins and carcasses has resulted in a new and growing industry in North Dakota that annually brings \$100,000 or more to farmers and others who realize the value of this "crop", it was reported recently by the North Dakota Extension Service.

The Service explained that about in 1924, experimental work showed that the fur of the common white-tailed jackrabbit could be mixed with the longer fur of tame rabbits for making fur felt from which most felt hats are manufactured. A use for the carcasses as feed was found among farmers engaged in raising fox, mink and other fur bearing animals. The average rabbit skin is currently worth about 10 cents. Details of the business will be found in an article by Stanley Saugstad in the March issue of the Bimonthly Bulletin" of the North Dakota Experiment Station.



### CALIFORNIA REPORTS INCREASE IN MOTORTRUCK MOVEMENT

The California Department of Agriculture reported this week that a further increase in the use of motortrucks to transport California fruits and vegetables to markets within the State is shown in a summary of figures relating to unloads in the San Francisco and Los Angeles markets for the past year. The report was prepared by the Federal-State Market News Service. Originating points for shipments in California have widened, and a greater quantity of fruits and vegetables has arrived by motortruck from distant counties in the State, it was reported. The report also showed a marked increase in motortruck receipts originating outside of California.

The Department said that during 1938, more than 81 percent of the total unloads at Los Angeles arrived by motortruck, and more than 64 percent of the unloads at San Francisco. Comparing the years 1931 and 1938, total truck unloads at Los Angeles have increased 25,000 carlot equivalents; at San Francisco, motortruck unloads increased 4,200 carlot equivalents. During the same period, unloads by freight at both markets decreased.

-oOo-

### EIGHT FOODS DESIGNATED UNDER FOOD STAMP PLAN

Eight foods - butter, shell eggs, dry edible beans, dried prunes, oranges, fresh grapefruit, wheat flour and whole wheat (graham) flour, and corn meal - were designated last week by Secretary Wallace as "surplus agricultural commodities" which may be included under the recently announced food stamp plan. Fresh fruits and vegetables may be added from time to time if these products "come into surplus later in the season."

The food stamp plan has been scheduled to begin at Rochester, New York, about the middle of this month. Under the plan, WPA workers and persons receiving, or certified as eligible to receive, public aid may obtain free the blue surplus food stamps under provisions designed to assure that food bought with the stamps will be in addition to the normal food purchases of the family. The blue stamps will be good in any cooperating grocery store for items on the surplus food list.

Two variations of the food stamp plan, both voluntary, will be tried out in Dayton, Ohio, the second city named for testing the plan.

-oOo-

### NEW JERSEY WARNS AGAINST UNLICENSED PRODUCE BUYERS

New Jersey farmers were cautioned recently by the New Jersey Department of Agriculture against "unidentified fruit or produce buyers who may not be licensed to purchase farm commodities in New Jersey." Licenses for produce dealers expired April 30, and renewal for the 1939-40 season was required May 1. Produce dealers, and their agents, must also secure official cards of identification from the State Department of Agriculture.



FARM MACHINERY PRICES ARE  
FAR ABOVE PRE-WAR FIGURES

The Bureau of Agricultural Economics reported this week that prices paid by farmers for farm machinery other than motor vehicles in 1938 averaged 58 percent above pre-war figures. The index includes many types of machines, most of which were priced last year at 50 to more than 100 percent above pre-war.

Smaller increases were reported for machines such as small gas engines, cream separators, large grain threshers, and 2-bottom tractor-drawn plows. Prices of hay loaders, 1-row riding cultivators, side delivery rakes, and 7-foot disk harrows are more than twice as high as they were 25 years ago.

The report is one of a series on prices paid by farmers for commodities and services, and is a part of a larger study on income parity for agriculture.

-oOo-

MINNESOTA CREAMERIES SUPPORT  
DAIRY ADVERTISING CAMPAIGN

The Minnesota Extension Service reported recently that 672 creameries and dairy processors in the State had signed contracts to support a nation-wide producer-sponsored advertising campaign to increase the use of dairy products. These plants handle practically 75 percent of the 250 million pounds of butterfat annually produced in Minnesota, it was stated.

The plan calls for building a fund in the North central dairy States. Wisconsin and Iowa are both developing plans to cooperate with Minnesota in the enterprise, according to the report. (Meanwhile, the Iowa Extension Service reported the creation of the Iowa Dairy Industry Commission to direct research, educational, publicity, advertising and sales promotion provided by the recently enacted Dairy Advertising Bill in that State. The money is to be obtained through an excise tax on butterfat, costing the average milk producer 50 to 60 cents a year.)

-oOo-

FREIGHT RATES, NATIONAL INCOME,  
CROP ESTIMATING SUBJECTS OF ARTICLES

A group of articles discussing the current high levels of freight rates on livestock, wheat and cotton; the production and consumption of dairy products; the prices of farm machinery during the last 30 years; the prospects for obtaining a national income of 80 billion dollars, and the problems involved in estimating crops, is contained in the May issue of "The Agricultural Situation", monthly publication of the Bureau of Agricultural Economics.

In an article on the wheat crop insurance program it is reported that approximately 156,000 policies have been paid by wheat growers, insuring an estimated production of 64 million bushels on 6.6 million acres. To obtain this protection - representing 75 percent of the average production from the insured acres - spring and winter wheat growers in 30 States have paid approximately 6.5 million bushels of wheat into the insurance reserves of the Federal Crop Insurance Corporation.



THE APPOINTMENT of Laurence A. Bevan as Director of the New Jersey Extension Service, to succeed the late Herbert Jonathan Baker, was announced last week. Bevan joined the Extension Service staff in 1935 as economist in marketing after resigning his position as Director of the Massachusetts State Bureau of Markets. His earlier experience had included service as a county agricultural agent and teacher of vocational agriculture. He was graduated from Massachusetts State College in 1913.

THE ILLINOIS EXTENSION SERVICE has available for distribution a mimeographed pamphlet entitled: "Summary of a Grain Marketing Survey in Southern Illinois." Copies are obtainable from the Service, at Urbana.

THE BUREAU OF AGRICULTURAL ECONOMICS has off the press a new publication: "Containers for Fruits and Vegetables." It includes a digest of Federal laws dealing with fruit and vegetable packages, and reviews the containers used in important shipping regions for the major fruits and vegetables. It is Farmers Bulletin 1821.

AT A RECENT MEETING of the New England Association of Marketing Officials, in Boston, an election of officers was held. Lawrence A. Carlisle, Deputy Commissioner of the New Hampshire State Department of Agriculture, succeeded H. A. Dwinell of the Vermont Department of Agriculture, as President. J. Kroeck of the Massachusetts Department of Agriculture was reelected Secretary.

A RESEARCH PROGRAM on the manufacture of maple syrup and other maple products has been begun at the New York Experiment Station at Geneva. The Station has been given the use of a nearby "sugar bush" for its experimental work. Thus far the work has dealt with the care and use of maple sap equipment, methods for improving the quality of low-grade syrup, and the development of a simple thermometer which aids in determining when the sap has been evaporated to the standard density of 11 pounds to the gallon.

THE APRIL INDEX of prices of farm products was 89 percent of pre-war, compared with 91 in March, and with 94 in April last year. The April figure was the lowest since the summer of 1934. It shows that prices of practically all products except fruits and vegetables are lower this spring than last. The index of prices paid by farmers was 120 percent of pre-war. This index also was about 5 points below the index for April last year.

A SUGGESTED PLAN FOR COTTON-CROP INSURANCE is House Document 277, just off the presses of the Government Printing Office. The document is a report containing pertinent data and information assembled by the Bureau of Agricultural Economics.

HALF A BILLION DOLLARS of farm mortgage debt held by the Federal land banks and Land Bank Commissioner has been repaid in the last 8 years, according to the Farm Credit Administration.



# STATE AND FEDERAL MARKETING ACTIVITIES AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

May 24, 1939

Vol. 19, Nos. 19 and 20

## TRADE BARRIERS SUBJECT OF WESTERN CONFERENCE

A conference of civic and business leaders of 11 western States to consider existing trade barriers and to draft uniform legislation for reciprocal trade agreements between the States is to be held at Denver, Colorado, June 10. The trade conference has been called by the Colorado State Chamber of Commerce. The 11 States are Colorado, Wyoming, New Mexico, Nebraska, Utah, Kansas, Oklahoma, Arizona, Montana, North Dakota, and South Dakota. Governors, attorneys general, and other public officials have been invited.

Governor Carr of Colorado said he believes the conference "will serve to promote a better understanding between Colorado and neighboring States regarding interstate trade. The results of the conference should serve also," he added, "as a guide for the legislatures of the 11 States in remedying a situation which has caused individual trade fences around each of the States."

-o0o-

## PHILADELPHIA OPENS NEW TERMINAL PRODUCE MARKET

A new terminal in the Philadelphia wholesale produce market, for the receipt and sale of truck-shipped fresh fruits and vegetables, was opened last week. The terminal is at Delaware and Oregon Avenues. Terminal officials report that "demand (for products) has been active, supplies have sold quickly. We expect an increasing volume as the season increases. Conditions are such that we can handle it without having trucks tied up for hours by traffic jams. Truckers can get into the market, unload, and be on their way home in a fraction of the time required to operate in Philadelphia's old street markets."

Director L. A. Bevan of the New Jersey Extension Service hailed the opening of the new terminal as "a move which holds possibilities of great benefit to New Jersey growers. For too many years," he said, "shipments by truck from New Jersey to Philadelphia have been handled at a disadvantage to our growers because of the extreme congestion and other unsatisfactory conditions in the Dock Street and Callowhill Street markets, principal receiving points in the Quaker City for truck-shipped supplies."

In 1938, he pointed out, New Jersey moved 12,000 carloads of produce to Philadelphia by truck. "This is a substantial volume," Bevan said, "and we know from studies made by the Federal Bureau of Agricultural Economics, Rutgers University and Pennsylvania State College

U S DEPT OF AGRICULTURE  
BUREAU OF AGR'L ECONOMICS LIBRARY  
4-K WASHINGTON D C



that Philadelphia's unsatisfactory marketing facilities have boosted the cost of distributing our produce there. During busy seasons in the Dock Street market, for example, trucks are delayed for hours in traffic jams which develop in a street too small to accommodate the volume of business. Much produce spoils because existing stores are too small to handle the supply and the surplus is piled on sidewalks and even in the gutter.

"These and other unsatisfactory conditions in the market were cited," he continued, "by Federal and State marketing authorities in first calling for improvement more than two years ago. More recently, growers in several States as well as consumer organizations in Philadelphia have asked that steps be taken to effect economies in the Quaker City's system for distribution of fresh fruits and vegetables. As a direct outcome of this activity, a group of leading produce dealers in the Dock Street market organized the Philadelphia Fresh Fruit and Vegetable Terminals, Inc., to operate the new market for truck-shipped produce."

-oOo-

#### LOUISIANA SEEKS BETTER POULTRY MARKETING METHODS

A series of conferences is being held with Louisiana poultry and egg producers in efforts to improve marketing conditions, it was reported this week by B. B. Jones of the New Orleans Association of Commerce. Jones said that the need for improvement is the result of increased production in Louisiana in recent years in excess of local needs, and the shipping of the surplus to marketing centers in the New Orleans area. Farmers are being urged to arrange production programs so as to take advantage of the period of higher prices which runs from September to January, with November as the peak month. Jones said the great bulk of the Poultry and eggs consumed in Louisiana cities comes from outside the State, "so producers have an opportunity to develop home markets if a proper production program is followed."

-oOo-

#### NEW JERSEY ASPARAGUS GRADED AND LABELED

The New Jersey Department of Agriculture announced this week that more than 1,000 acres of New Jersey's finest quality asparagus is being marketed this season under a distinctive label identifying it "as a superior and nearby product." Use of the label is restricted to members of the marketing group who agree to package under a definite quality standard "which is equivalent to the highest Federal-State requirements." Wholesale prices for asparagus this season were reported to be somewhat higher than a year ago. A steadily increasing demand for asparagus for freezing and canning was reported by the Department, approximately 4,000 acres being under contract to packers this year. Processing plants purchase entirely on a grade basis under the direct inspection of the New Jersey Department of Agriculture, it was stated.



CALIFORNIA COLLECTS HALF  
MILLION DOLLARS FOR GROWERS

The California Department of Agriculture recently reported that more than half a million dollars was recovered for growers by its Division of Market Enforcement last year. There were 60 prosecutions for various violations of the marketing laws. Most of the prosecutions were against persons operating as produce dealers without the proper licenses. Proceedings also were taken against processors, milk distributors, and persons violating marketing agreements. The Department said that under the Produce Dealers Act, 7,191 licenses were issued: 2,673 to dealers, 792 to commission merchants, 601 to brokers, and 3,125 to agents. Under the law requiring the licensing of processors, such as canners, dried fruit packers, vintners and others, 1,600 licenses were issued. Under provisions of the Milk Control Law, 1,881 licenses were issued to distributors.

-oOo-

NORTHEAST VEGETABLE GROWERS  
ORGANIZE PROMOTION CAMPAIGN

A unified program "to obtain more orderly and efficient merchandising for vegetables produced in the northeastern States in 1939," is being organized by the Northeastern Vegetable and Potato Council, which consists chiefly of grower organizations. A 6-point program was formulated at a recent meeting in New York City:

1. More timely and pertinent marketing information which will assist growers and distributors in moving vegetables into consumption in a more orderly and efficient manner.
2. More standardization and uniformity in quality of products and in kind and size of containers.
3. Special merchandising campaigns to secure more effective distribution of peak production when needed.
4. Publicity and advertising to stimulate increased consumer consumption of vegetables.
5. Development of machinery to move surplus vegetables to other markets when practicable.
6. F.S.C.C. purchases of burdensome market surpluses.

-oOo-

ILLINOIS GRAIN SHIPMENTS  
BY TRUCK AND BARGE INCREASED

A large increase in the transportation of Illinois grain by river barge and motor truck in 1938, compared with preceding years, was revealed in a recent survey by the Illinois Extension Service. Results of the survey are reported by L. J. Norton in the current issue of "Illinois Farm Economics", published by the Illinois College of Agriculture. More than 18,000,000 bushels of corn, wheat, oats, soybeans and rye was shipped by barge from points on the Illinois River, and more than 3,000,000 bushels was transported by truck to Chicago.

The increase in barge shipments is attributed to the "operation



of a larger number of elevators for a full year, better crops in the southern part of the territory, higher railroad freight rates in part of the territory, and an active demand for corn for export at New Orleans and Chicago, both of which can be reached by river. The underlying basis for the growth of the traffic is that under existing rate conditions grain can be moved more cheaply by truck and barge than by rail between farms in the river area and terminals which are accessible to the river." The increase in direct truck movement, it was stated, was "the response to cheaper transportation costs." Norton concluded that, "so long as 1938 differences in transportation costs prevail, this trend [the increasing use of trucks and river barges] will likely continue."

-oOo-

GOVERNMENT WHEAT LOAN  
PROGRAM IS ANNOUNCED

The 1939 wheat loan program was announced this week by the Commodity Credit Corporation. In general, the rates and provisions are similar to those of the 1938 program. The principal changes are: (1) Upward adjustments in rates to farmers in the Great Plains area and the Pacific Northwest where experience indicated that the 1938 rates were out of line with usual price relationships; (2) increases in rates at country points in relation to the terminal loan values by 1 cent per bushel in those areas where the loan values are computed on the basis of terminal rates; (3) provision for increasing the loan rate on Hard Red Spring, Hard Red Winter and Hard White Wheat to include an allowance for protein premium where farmers can obtain protein tests or certifications of protein content of their wheat.

The loan rates for 1939 represent average farm rates between 75 to 80 percent of the average price received by farmers for their wheat during the last 10 years. The rates are between 54 and 55 percent of parity.

-oOo-

FARMERS had slightly larger cash income from marketings and Government payments combined, in the first 4 months of this year compared with last. Total for the period in 1939 was 2,240 million dollars, compared with 2,227 million in the first 4 months of 1938. Income from marketings was smaller this year, but the difference was more than offset by the larger Government payments.

THE ILLINOIS EXTENSION SERVICE has available a pamphlet entitled "Marketing Illinois Peaches." It reports the results of a survey of Illinois peach marketing practices.

THE NEW MEXICO EXTENSION SERVICE reported this week that a recent amendment to the egg law in that State requires "that every case of eggs brought into the State shall have been candled and the candling certificate shall show where the eggs were produced, the State and place, and by whom the eggs were candled. The original certificate, or a copy must accompany the eggs until sold to the consumer."



# MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

June 7, 1939

Vol. 19, Nos. 21 and 22

### LOWERING OF TRADE BARRIERS SOUGHT BY NEW YORK, CONNECTICUT

Interstate barriers between New York and Connecticut which prevent free commerce in ice cream mix may be lowered as a result of a conference of representatives of these two States recently held at Albany, it was reported last week by the New York State Department of Agriculture and Markets. --

Connecticut legislation provides that ice cream mix used within that State must be pasteurized there. New York in turn held up licenses issued to Connecticut manufacturers. Connecticut representatives at the Albany conference pledged their aid in obtaining immediate modification of the Connecticut legislation, to enable the Connecticut Commissioner of Agriculture to exercise discriminatory powers over the sale of ice cream mix. New York representatives said they were ready to reciprocate.

Commissioner Noyes of New York said at the conference: "We are ready and willing to establish any reciprocal relationship with our neighboring States which will not in the least jeopardize the public health of any of our States, but which will permit the uninterrupted flow of commerce which the founders of this country contemplated when they placed the regulation of interstate commerce in the hands of Congress and took it away from the States."

-oOo-

### NEW JERSEY EXPANDING CHICKEN, TURKEY INDUSTRY

Baby chick sales from local hatcheries and breeders indicate an increase of from 10 to 20 percent over the 1938 season, it was reported this week by the New Jersey Department of Agriculture. Part of the increase has been due to heavier demand for broiler chickens during the winter months, it was explained. Turkey growers also are expanding their production in New Jersey, the Department said, "because of the rapidly increasing demand for local grown birds throughout the winter." Through the State Turkey Growers' Association, continued emphasis on quality and grading will enable growers to market their larger supplies to better advantage, according to the announcement.

-oOo-

DR. W. H. MARTIN has been named Dean of the College of Agriculture of Rutgers University, and Director of the New Jersey State Agricultural Experiment Station. He has been associated with these institutions - as teacher, investigator, and administrator - for nearly 25 years.



### CROP REPORTING PROBLEMS DESCRIBED FOR THE LAYMAN

What goes on behind the scenes of the Crop Reporting Board? How are the reports prepared? What are the principal statistical methods? Can the reports be further improved? How improved? Some of the answers to these questions are contained in the June issue of the "Agricultural Situation", monthly publication of the Bureau of Agricultural Economics. Dr. C. F. Sarle writes on "Crop Forecasting - An Appraisal". In the May issue, he wrote on "Crop Estimating", in the July issue he will write on "Livestock Estimating".

Other articles of timely interest in the June issue include "The Farm Pay Roll" by O. C. Stine; "Lost - The Czechoslovakian Market" by D. F. Christy; "Changes in the Poultry Industry" by S. A. Jones; "Farm Population - Near Record" by Conrad Taeuber; "Conditions Change in Seed Industry" by W. A. Wheeler; "Farm Real Estate Values" by M. M. Regan; "Bee Business" by H. J. Clay, and "Maryland Breaks With Antiquity" by Claudia Thomson.

-oOo-

### LOUISIANA COMMISSION LICENSES WAREHOUSES

The Agricultural Committee of the New Orleans Association of Commerce reported this week that "a valuable service" is being performed for the agricultural industry of the State by the Louisiana Market & Warehouse Commission. An important activity of this agency is the licensing and bonding of warehouses in which agricultural products can be stored, and loans made until profitable marketing of the crops can be accomplished. It is estimated that more than 10 million dollars has been borrowed this year against receipts issued under the authority of this Commission. The Commission also inspected 12,374 cars of fruits and vegetables and other products last year, it was reported.

-oOo-

### NEW MEXICO COMPLETES SERIES OF WOOL DEMONSTRATIONS

The New Mexico Extension Service reported this week that it recently completed a series of demonstrations emphasizing the proper preparation and marketing of wool and the selecting of sheep for wool production in 15 counties. The series was conducted in cooperation with the Bureau of Agricultural Economics, the New Mexico Wool Growers' Association and the Sheep Sanitary Board. Demonstrations included the grading, shrinking, tagging, tying, and packing of wool.

-oOo-

SAY IT WITH FRUIT is a new twist on the Say It With Flowers slogan. The fruit is "telegraphed" just like flowers and money. One organization, it is reported, has established branches in more than 1,000 cities for the filling of telegraphic orders for delivery of fruit in baskets to individual consumers.



SURPLUS COMMODITIES CORPORATION  
AUTHORIZED TO BUY MORE BUTTER

The Federal Surplus Commodities Corporation was recently authorized to buy an additional 25,000,000 pounds of surplus butter during the current fiscal year ending June 30, 1939. This additional quantity increases to 115,000,000 pounds the quantity of butter the Corporation has been authorized to buy this fiscal year. The butter will be given to State welfare agencies for distribution to families on relief rolls.

Dairy production in the 1938-39 season was the largest on record, production of the principal manufactured dairy products as a group being estimated at nearly 10 percent more than the average for the preceding 5 seasons.

-oOo-

ILLINOIS REPORTS EXTENSION  
OF RURAL ELECTRIFICATION

Twenty-five rural electric cooperatives now are operating in Illinois, it was reported recently by R. R. Parks of the Illinois Extension Service. Expenditures and allotments of the Rural Electrification Administration indicate that 12,000 miles of rural electric lines will be in operation by the end of this year, serving approximately 36,000 farmers, it was stated. Private utilities are continuing to add more rural customers in Illinois, and at present have connected approximately 50,000 farms, Mr. Parks said.

-oOo-

KENTUCKY REPORTS ON STUDY  
OF MILK COOPERATIVE ASSOCIATION

The Kentucky Extension Service has available a printed bulletin entitled "Organization and Management of the Falls Cities Cooperative Milk Producers' Association." In the summary it is stated that "since its beginning in 1931 the Falls Cities Association has been a constructive force in the Louisville milk market. It has developed a comprehensive marketing program and has adapted itself to Federal and State control programs.\*\*\*As a sales agency for producers the Association has controlled in excess of 80 percent of the graded milk for the market.\*\*\*On numerous occasions, the Association has contributed to price stability through its price policy and through its cooperation with Federal and State programs in securing more uniform resale prices.

"\*\*\*The Association has contributed to increased market efficiency by (1) pricing milk according to its uses and encouraging better utilization of surplus; (2) securing more uniform testing and sampling methods; (3) assuring adequate supplies to the dealers buying from it, and (4) lowering hauling cost resulting from the reorganization of the transportation system."

-oOo-

"ORIGIN AND DISTRIBUTION of the Commercial Potato Crop" is the title of Technical Bulletin 7 (revised), recently issued by the United States Department of Agriculture. The publication discusses areas of production, acreage, yields, harvest seasons, crop movements, distribution, and markets.



FARMERS "GROSSED" MORE THAN  
9.2 BILLION DOLLARS LAST YEAR

The Bureau of Agricultural Economics reported this week that farmers in 1938 had a gross income of \$9,220,000,000 from farm production and Government payments. This figure includes cash income from marketings, Government payments under conservation programs, and the value at farm prices of products retained for consumption on the farms.

The 1938 total of \$9,220,000,000 compared with \$10,350,000,000 in 1937, and with \$5,562,000,000 in 1932. The 1937 income was the largest for the depression and recovery period since 1929. The 1932 income was the smallest of record dating back to 1925. The gain from 1932 to 1937 was 86 percent, and the income for 1938 represented a gain of 66 percent over the depression low point.

The figures include revisions of estimates dating back to 1925. Copies of the full report, containing income by States, are obtainable from the Bureau.

-oOo-

DAIRY INDUSTRY EMPLOYS MORE  
THAN 1 MILLION PERSONS

Prof. Earl Weaver of the University of Michigan in a recent address said that: "On the average it takes 30 minutes a day to care for 1 cow. This would be approximately 180 hours a year - or 23 working days per cow per year. There are 24 million cows in the country, which means that over 1 million men are needed in full-time employment on the dairy farms of the country. In addition it is estimated that there are 80 thousand men employed full-time in processing and 170 thousand men employed full-time in milk distribution, or a total of 1,250,000 persons engaged directly in the dairy industry."

Prof. Weaver then pointed out that increasing consumption was the most important problem facing the dairy industry. He said that one of the most effective ways to develop a consciousness in the dairy industry of the necessity for increasing consumption was to inaugurate committees of dairy interests, and that in Michigan such committees had already been organized in 24 counties.

-oOo-

FARMERS' SHORT TERM DEBTS  
EXCEED 1 BILLION DOLLARS

Farmers' short-term debts on account of personal and collateral loans by commercial banks and loans of a similar type held by federally sponsored credit agencies totaled \$1,255,185,000 as of December 31 last, according to the Bureau of Agricultural Economics. During the last half of 1938, these short-term loans to farmers by commercial banks increased from \$925,705,000 to \$1,064,667,000. During the same period, loans by federally sponsored credit agencies decreased from \$240,787,000 to \$190,518,000. The combined holdings of the two groups of lending agencies were 28 percent higher than on December 31, 1937. The Bureau said that the increases in 1938 reflected in part the substantial volume of advances made under the Commodity Credit Corporation loan program.



# MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

June 21, 1939

Vol. 19, Nos. 23 and 24

### EASTERN VEGETABLE GROWERS

#### LAUNCH MARKETING PROGRAM

Iceberg lettuce produced in New Jersey and New York is receiving initial attention in a program intended to provide efficient marketing of vegetables from the 12 States extending from Maine to Virginia.

Sponsored by the Northeastern Vegetable and Potato Council, the program is intended to accelerate the movement of vegetable crops of better than average proportions while effecting other improvements in distribution. It calls for more standardization and uniformity in quality of products and in kinds and sizes of containers, and special merchandising campaigns to obtain more effective distribution of peak production. These campaigns will make use of consumer information and advertising, development of machinery to move surplus vegetables to other markets when practicable, and purchase of burdensome market surpluses by the Federal Surplus Commodities Corporation.

Frank App of Bridgeton, New Jersey is president of the Council and Henry Marquart of Buffalo, New York, is vice president. The organization has been working with the U. S. Department of Agriculture for more than a year in an effort to coordinate marketing activities in the Northeast with agents of distribution, including retail as well as wholesale outlets.

-000-

### GEORGIA TOBACCO GROWERS

#### FAVOR FEDERAL INSPECTION

Georgia tobacco growers who patronize the auction markets at Adel, Nashville, and Douglas, Georgia have voted by a majority of 87 percent as favoring Federal inspection and grade certification of all tobacco offered for sale on these markets. Designation of these 3 Georgia markets for the free and mandatory inspection provided under the Tobacco Inspection Act of 1935 will bring the number of designated markets to a total of 37. A referendum is being held for the Greenville, North Carolina, market during the week of June 19-24 and several other referendums are contemplated for the next few months. Approximately 250 million pounds of tobacco were graded and certified by Federal inspectors during the 1938-39 season. Facilities have been expanded to provide for the official inspection of twice this quantity of tobacco during the marketing months for the 1939 crops. The official inspection is supplemented by a market news service which provides growers with current average prices for each grade for the type area.



FALSE-PACK, BAD CHECKSBRING CALIFORNIA PENALTIES

The California Department of Agriculture reports that John Rivara of Colma, California, has been fined \$100 and placed on probation for a 2-year period for having sent potatoes to the San Francisco market packed in such a way that the larger and better ones showed on top and screened the smaller ones in the bottom of the containers. The potatoes were intercepted by a Department inspector, as packed in violation of the State fruit and vegetable standardization laws. Rivara had previously been in court two times for similar infractions of the standardization laws.

Bad check charges brought fines and jail sentences to Al Battaglini, truck operator and wholesale produce dealer of Portland, Oregon. In, 1935, Battaglini, despite the fact that he failed to apply for a California State license required under the Produce Dealers Act, operated in California as a fruit buyer. He paid for some of his produce with bad checks, however, and this was construed by California courts as failure to pay growers. Returning to California recently, Battaglini was apprehended and sentenced to 30 days in Sacramento Road Camp for one of his transactions. Upon his release he faced further proceedings in Placer County where he was sentenced to 90 days in the County jail, fined \$50 and ordered to pay the grower or spend an extra day in jail for each dollar unpaid.

-oOo-

NEW MEXICO RANCHERS USE WOOLSHRINKAGE STUDY AS MARKETING AID

Sheep ranchers representing each section of the State are cooperating with the New Mexico Extension Service and the Experiment Station of the State College in scouring tests of representative samples of their clips, it was reported this week by the New Mexico Extension Service. The project is designed to give sheep men more information about shrinkage -- one of the major factors determining prices at which grease wools sell.

The wool clips belonging to the cooperating ranchers will be analyzed so that the proportion of the various grades of wool produced will be known and the shrinkage determined. The plan will enable ranchers to judge the approximate shrink of their wools and thus bargain more effectively in selling their clips. It will enable them to study the effects of various management practices on the shrinkage of the wool. The demonstrations are set up to run for a period of 5 years.

-oOo-

U. S. STANDARDS FOR PEARS FOR CANNING, which became effective June 12, are recommended by the U. S. Department of Agriculture as a basis for contracts between canners and growers or shippers. The Department has pointed out that pears that are classed as U. S. No. 1 generally are suitable for canning as halves. Pears classed as U. S. No. 2 ordinarily are not suitable to canning as halves but may be used for dicing. The Standards provide no tolerances from the grade specifications.



ILLINOIS LISTS CHANGES IN  
LABOR, POWER AND MACHINERY

Six revolutionary changes in the use of labor, power and machinery on Illinois farms during the past 15 years have been noted by the Illinois College of Agriculture. These include a general shift from horses to standard type tractors and from standard type tractors to the general purpose tractors. They include a rapid increase in the use of complicated and expensive machinery such as combines, corn pickers, and pick-up balers, and in motor cultivation of row crops.

The number of work horses on farms in central Illinois has been reduced 50 percent but the cost of an hour of horse labor in 1936 and 1937 was about the same as in 1923 and 1924. The number of hours of use of tractors has been doubled and the cost per hour cut in half. Hours of labor on the farm have declined 30 percent.

-oOo-

PENNSYLVANIA GROWERS  
ASK STATE INSPECTION

Celery growers in Tioga County, Pennsylvania, have requested State inspection to assist in the proper grading and packing of their crops. An out-of-state cannery purchasing Pennsylvania tomatoes in Lancaster County has requested State inspection. These and other signs of increasing popularity of the inspection services", the State Department of Agriculture reports, "indicate increasing use of grades and standards for fruits and vegetables in Pennsylvania -- and expansion of grading in the State during 1939." According to the State Department, marketing of the 1938 crops of apples, peaches, grapes, cherries, tomatoes, potatoes and cannery products involved grading, according to official State and Federal grades, of a greater proportion of Pennsylvania's production than ever before.

-oOo-

PROPOSED PEAR MARKETING  
ORDER SENT TO GROWERS

A proposed marketing order providing for State regulation of grades and sizes of fresh Bartlett pears entering interstate commerce has been submitted to more than 4,000 California producers by the California Department of Agriculture. To become effective the order must be approved in writing by not less than 65 percent of growers and handlers representing more than 65 percent of the total tonnage of California Bartlett pears. The work of grading and regulating sizes would be performed by the State Department of Agriculture. At a public hearing held in Sacramento June 5 no opposition to the order was presented.

-oOo-

"VARIETIES OF VEGETABLES FOR FREEZING" is the title of a pamphlet that has been prepared by Lee A. Somers, extension specialist in vegetable gardening at the College of Agriculture, University of Illinois, Urbana.



GRADING AND SALE OF LAMBS  
BY U. S. STANDARDS EXPANDS

Bureau of Agricultural Economics livestock specialists report that the grading of lambs by State graders in North Carolina, Tennessee, Virginia, and West Virginia is proving even more popular this year than last. Last year approximately 225,000 lambs were graded in these 4 States according to the U. S. official standards. These lambs were sold on the standard grades and farmers were paid on the basis of the relative values of their lambs. "Grading by a disinterested party assures generally uniform and unbiased grading", the specialists say.

-oOo-

ILLINOIS PEACH GROWERS  
PRECOOL RAIL SHIPMENTS

Precooling rail shipments of peaches and the use of ventilated containers are coming into more general favor among Illinois growers, according to the College of Agriculture, University of Illinois. Growers who marketed nearly half a million bushels of Illinois peaches last season report to the extension workers at the College that nearly all rail shipments from the 1938 crop were precooled. Approximately 28 percent of all peaches marketed by Illinois growers in 1938 were in ventilated packages. The extension workers recommended ventilated containers equipped with the new type ventilated liners as an aid to rapid precooling, and for best results with standard refrigeration even though the shipments are not precooled.

-oOo-

A grading demonstration of canned foods was recently given before the Business Club of Susquehanna University by members of the Pennsylvania Department of Agriculture. Cans of tomatoes, corn, peas, beans and fruits were cut and graded according to the Federal grades for these products. Comparisons were made between retail prices and qualities of the canned fruits and vegetables.

-oOo-

The average cost of producing apples on 28 Illinois fruit farms is reported by the University of Illinois as 99 cents a bushel. Results of its studies of costs of production have been published by the College of Agriculture of the University in a pamphlet entitled "Enterprise Cost Analysis of 28 Illinois Fruit Farms."

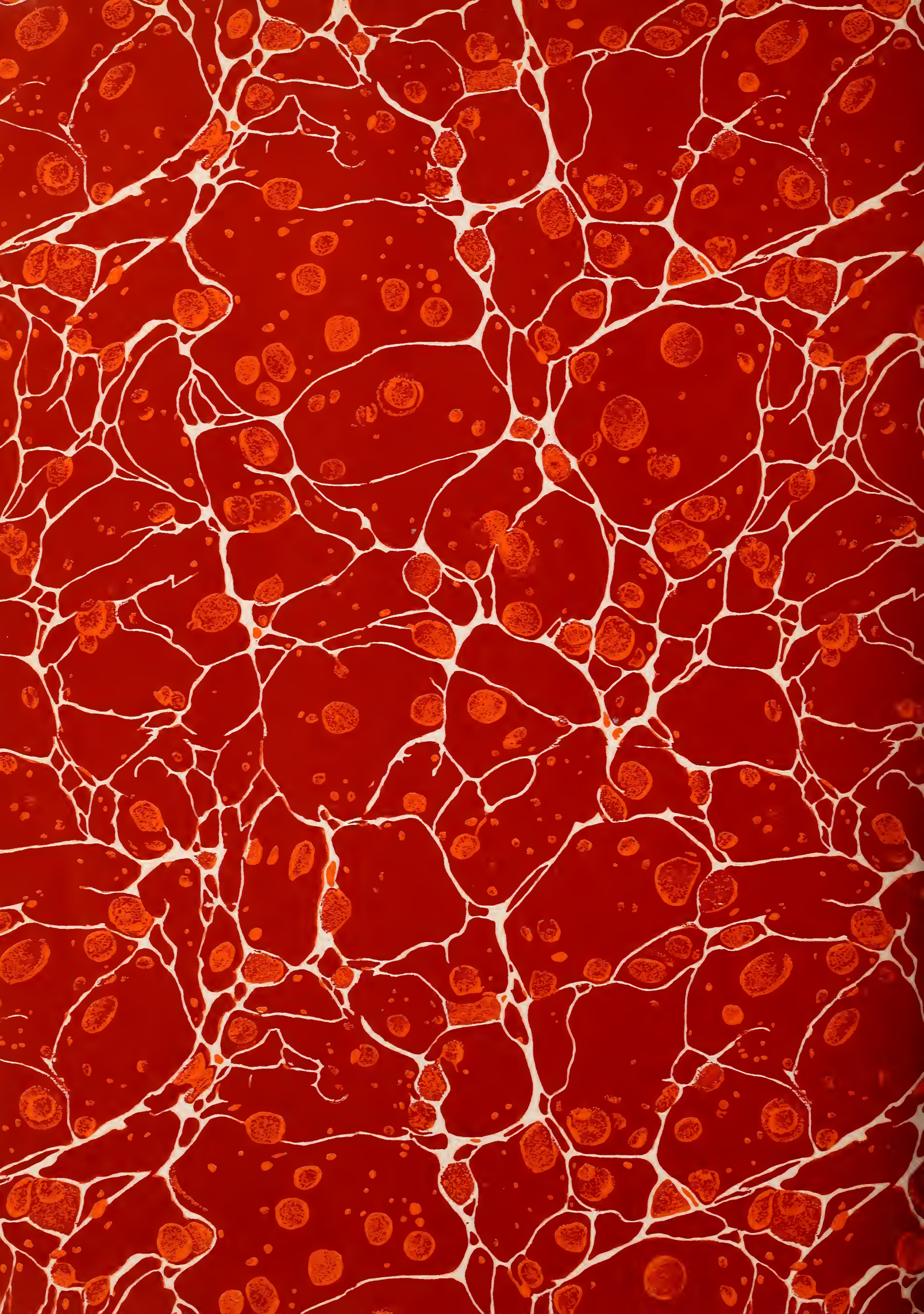
-oOo-

Costs of producing milk on 93 selected Illinois dairy farms in the St. Louis area in 1938 are reported by the College of Agriculture of the University of Illinois as \$1.66 per 100 pounds. The average cost of producing a pound of butterfat is reported as 46 cents. The average price of milk, including that used on the farm, is indicated as \$1.86 per 100 pounds.











1.9	USDA	B
1345m	State ar	
V.18-19		
1938-39		
FEB 2 1940	Missouri	
	(for kind)	

GPO B-2432

